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VICTORIA POLICE ISSUE STATEMENT ON ANTITERRORIST SQUAD

Melbourne THE AGE in English 21 Feb 80 p 1

[Report from Lindsay Murdoch]

[Text]

The Victoria Police Special Operations Group has developed close links with Australia's intelligence agencies, according to police sources.

Members of the group have been trained with members of the Australian Secret Intelligence Service (ASIS), the sources say.

Some of the group, an elite anti-terrorist squad, have been taught military interrogation methods similar to those used in World War II.

Squad members, believed to be operating in six groups, have been trained in diving, climbing and marksmanship by the army.

The training included how to jump on to city buildings from a helicopter and how to handle and defuse bombs. Several of the men work undercover.

Squad members have been equipped with weapons and wear special assault uniforms.

They must maintain peak physical fitness and are allowed 1½ hours of their working day to train. The squad's activities are so secret that they are not allowed to talk about them to other police.

Squad members are carefully selected and many have had military experience. The police sources say that some of the men's families are screened before the men are accepted. The sources say only about five police in every 20 who apply pass the entry assessments. The squad is believed to want to employ four army commando instructors full time.

Members, known in police circles as "Sons of God", are being used almost daily by sections of the force for dangerous work. The tasks have included sieges and raids on the homes of criminals in the past 12 months. Several members recently spent days hunting a wanted man in Traralgon.

The sources say marksmen have guarded Victorian people who police thought may have been targets for assassination.

The sources say the squad works closely with the Bureau of Criminal Intelligence which has a staff of more than 70 and which has established an information exchange system with intelligence bureaus around the country.

Both the bureau and the Special Operations Group were begun by and have been supported by the Chief Commissioner of Police, Mr. Miller, who took office in June, 1977.

Mr. Miller late yesterday issued a brief statement about the Special Operations Group after being told the details of information supplied to 'The Age'.

He said: "The Special Operations Group is a highly trained and disciplined group within the force. It is capable of providing an effective response in terrorist-type operations.

"We have consistently avoided publicity regarding its activities in the interests of security and the safety of its members involved in operational police activity."

BURMA

BRIEFS

HYDROELECTRIC POWER STATION AID--India is to assist Burma in setting up a hydroelectric power station. The public sector, water and power consultancy, will build two generating units of 12.5 megawatts each. The project, costing over 2,400 million rupees, will be financed by the Asian Development Bank. [Text] [Delhi Domestic Service in English 0830 GMT 20 Mar 80 BK]

CSO: 4220

INDIRA GANDHI COMMENTS ON AFGHAN SITUATION

Quetta JANG in Urdu 21 Jan 80 p 1

[Interview with Prime Minister Indira Gandhi by JANG correspondent Zamir Siddiqi, New Delhi 21 Jan 80]

[Text] The Soviet Union will not pull out Soviet forces from Afghanistan, Indira Gandhi said in an interview in New Delhi. She added that India was not in favor of foreign invasion of any country. For her part, she said, India wishes to improve relations with Pakistan, and solve problems through mutual dialogue.

In the interview held at her residence, Mrs Gandhi said she was worried about the current situation in Afghanistan. Because of recent events, a dangerous political climate has been created in the whole sub-continent. Speaking in very refined Urdu and occasionally interjecting Oxford-accented English, Mrs Gandhi said that she had already stated that whatever happened in Afghanistan was not right. Therefore, we all should now sit together, have a dialogue, and try to solve these problems. Mrs Gandhi's complete interview was as follows:

[Question] What are you doing about relations between India and Pakistan?

[Answer] Your [Pakistan] Ambassador visited me the day-before-yesterday.

[Question] Was there any forward movement?

[Answer] Nothing has advanced as yet, and I am not quite sure what to do.

[Question] Would you follow the Simla Agreement?

[Answer] It is not a question of the Simla Agreement. The question is what can we do about Afghanistan? We can cry all we want [to induce] the Soviet Union to pull out Soviet forces, but will they withdraw? Definitely not. Therefore, the question is what should be done under the circumstances and to prevent the situation from getting worse and deteriorating even further. We cannot be in favor of any army going into another country. But, at the same time, we have to think how the Cold War, which has been growing for some years, can be stopped.

[Question] Cold War between India and Pakistan?

[Answer] No, between Soviet Union and America. To the Soviets, it looks as though China and America have joined hands, that Pakistan has allied itself with them, and that they are attempting to encircle her. Nevertheless, Pakistan poses no threat to the Soviet Union. But there is a growing danger from China. The Soviet Union is of the opinion that China is attempting to encircle her. American pressure is growing....

9557

CSO: 4211

BRILFS

FOODGRAINS TARGET--A foodgrain production target of 135 million tons has been fixed for the agriculture year 1980-81. This was disclosed in the Upper House of Parliament by Agriculture Minister Rao Birendra Singh 12 March. [BK210545 Delhi Domestic Service in English 0730 GMT 12 Mar 80 BK]

NEW AUSTRALIAN HIGH COMMISSIONER--New High Commissioner of Australia Gordon Noel Upton presented his credentials to President Sanjiva Reddy at Rashtrapati Bhavan on 25 March. [Text] [BK271349 Delhi ISI Diplomatic Information Service in English 0846 GMT 26 Mar 80 BK]

JOINT VENTURE WITH SFRY--Construction work has just started on the first India-Yugoslav joint venture to be set up in Yugoslavia for the manufacture of wire ropes, reports PTI. The joint venture, costing \$14 million and involving 20 percent Indian participation in cash equity and technical knowhow and equipment, is expected to go into operation in October 1981. The factory, being set up with the help of a group of companies from Calcutta, will be located in Belgrade. The joint venture was approved by the two governments in 1979. [BK271349 Delhi ISI Diplomatic Information Service in English 1434 GMT 25 Mar 80 BK]

COOPERATION PROTOCOL WITH GDR--In Berlin, a cultural exchange program has been signed between India and the German Democratic Republic. The protocol envisages cooperation in the fields of science, education and sports during the next financial year. [Text] [BK271349 Delhi General Overseas Service in English 1000 GMT 23 Mar 80 BK]

OIL STRIKE OFF EASTERN COAST--New Delhi, 24 Mar (AFP)--India has located new highly promising oil deposits off Godavari coast in the Eastern Andhra Pradesh State, for the first time in that region. The state's Public Works Minister K. Rosaiah told a press conference here today that the deposits had been rated by Indian oil experts as "the most prolific producers of oil similar to those found in western Australia." He said the deposits were detected at the first well being drilled by the state-run Oil and Natural Gas Commission off Narsapur in the north-eastern part of the state. The well had also shown similar signs of

gas deposits. The Bombay High is India's present major off-shore oil producing centre, yielding 5 million tons a year which is projected to be stepped up to around 12 million tons by 1982. Mr Rosaiah quoted the experts as describing the newly-found deposits as cretaceous, promising to be older than those of the Bombay High. [Text] [BK271349 Hong Kong AFP in English 1241 GMT 24 Mar 80 BK]

REPRESENTATIVE TO UN GENEVA OFFICES--Ayilam Panchapakesa Venkateswaran, ambassador of India in Damascus, has been appointed permanent representative of India to the United Nations offices at Geneva with the rank of ambassador in succession to Chinmaya Rajaninath Gharekhan. He is expected to take up his assignment shortly. [Text] [BK031205 Delhi ISI Diplomatic Information Service in English 0847 GMT 1 Apr 80 BK]

THERMAL POWER PLANT IN LIBYA--India has achieved a big success in setting up power stations abroad with the commissioning of the first thermal power plant of 120 megawatt capacity at Tripoli in Libya. The 1-billion rupee turnkey contract for installation of two thermal power plants of 120 megawatt capacity each was bagged by the Bharat Heavy Electricals Limited [BHEL] against strict global competition. Libyan Minister of Power Mr Jum'ah al-Arbash has acknowledged the quality and work standards of BHEL. [Text] [BK031205 Delhi Domestic Service in English 0830 GMT 30 Mar 80 BK]

USSR TO BUY RICE--New Delhi, 28 Mar (AFP)--The Soviet Union has approached India for rice supply from this country. Commerce Minister Pranab Mukherjee informed a questioner in Parliament today that negotiations were being held in this connection with the Soviet Union. The supply sought was for the new Indian financial year beginning next month. The minister gave no further details, including the quantity involved. [Text] [BK031205 Hong Kong AFP in English 0933 GMT 28 Mar 80 BK]

TOURISTS TO CHINA--New Delhi, 31 Mar (AFP)--India will start sending tourists to China from September, travel agency sources said here today. The first batch of 20 tourists will leave for China by mid-September either via Hong Kong or by the Swiss Air Bombay-Beijing flight. The Chinese Embassy here has agreed to issue visa for Beijing, Shanghai and Canton, the sources said. [Text] [BK031205 Hong Kong AFP in English 1411 GMT 31 Mar 80 BK]

NEW AMBASSADOR TO PAKISTAN--Natwar Singh has been appointed India's ambassador to Pakistan. He succeeds K. S. Bajpai. [Text] [BK021358 Delhi Domestic Service in English 1230 GMT 2 Apr 80 BK]

CSO: 4220

COUNCIL OF MINISTERS SETS COMMODITY PRICES NATIONWIDE

Order Dated 20 December

Vientiane VIENTIANE MAI in Lao 19 Jan 80 p 2

[Text] Council of Ministers decision on changes in the set prices for purchasing agricultural commodities and goods produced domestically.

1) Whereas the set prices which have been established by the party and state are considered to maintain an appropriate balance between the prices of industrial goods and agricultural commodities but there is great imbalance between state and free market prices causing farmers to complain that, having sold their crops to the state, they are unable to buy things from the state and have to buy them on the free market at high prices not commensurate with the prices they were paid for their crops (state goods not having been able to satisfy public demand);

2) Whereas the current state of domestic agricultural production is insufficient to meet our needs due to difficult production conditions and we must import a certain amount from abroad; and

3) Based on the 1 November 1979 joint resolution of the Council of Ministers and the Supreme Peoples' Council:

Article 1: The Council of Ministers has decided to change set prices for purchase of commodities as follows (the monetary unit is the bank kip):

<u>Item No</u>	<u>Name of Commodity</u>	<u>Unit of Measure</u>	<u>Old Price (in bank kip)</u>	<u>New Price</u>	<u>Remarks</u>
1	Paddy rice, glutinous	1 kilogram	0.22	0.80-0.85	in Champassak and Attapeu provinces
	ditto	ditto	ditto	0.80-0.90	in Saiyaburi Province
	ditto	ditto	ditto	0.85-0.90	in Saravane, Savannakhet, and Khammouane provinces

	ditto	ditto	ditto	0.90-1.00	in Nam Tha and Udomsai provinces
	ditto	ditto	0.25	0.90-1.10	in Luang Prabang and Vientiane provinces
	ditto	ditto	0.27-0.30	1.10-1.20	in Phong Saly, Houa Phan, and Xieng Khouang provinces
2	Wheat, dry grain	ditto	0.60	1.00	in Vientiane Province
3	Coffee				the set price is uniform nationwide
	--,small bean	ditto	3.00	10.00	
	--,medium bean	ditto	2.50	7.50	
	--,large bean	ditto	2.00	6.00	
4	False cardamom				the set price is uniform nationwide
	type 1, husked	ditto	6.00	24.00	
	type 2, husked	ditto	5.00	20.00	
	type 3, husked	ditto	4.00	16.00	
	mixed types, unhusked	ditto	3.00	12.00	
5	White benzoin				the set price is uniform nationwide
	type 1	ditto	18.00	72.00	
	type 2	ditto	14.00	56.00	
	type 3	ditto	10.00	40.00	
6	Stick lac	ditto	4.00	16.00	ditto
7	Opium				ditto
	type 1	ditto	180.00	720.00	
	type 2	ditto	150.00	600.00	
	type 3	ditto	100.00	400.00	
8	Salt, domestically produced	ditto	0.18	0.50	includes state and private production

Article 2: All ministers, heads of ministry-level committees, and mass organizations associated with the Party Central Committee and government, and all chairmen of provincial administrative committees must implement the new prices strictly and must disseminate information about the new commodity prices to ensure that soldiers, cadres, and the public are aware of them in order to encourage production and the peaceful improvement of the people's standard of living.

Article 3: The minister of industry and trade is responsible for advising all regions regarding the promulgation of the new prices and for checking

to see that all subordinate elements in all localities implement the new prices correctly.

This decision is effective as of the date of signature, and all old prices are superseded.

Vientiane, 20 December 1979

For the Standing Committee of the Council of Ministers

Deputy Prime Minister

Nouhak Phoumsavan

Vientiane Market Rules

Vientiane VIENTIANE MAI in Lao 21 Jan 80 pp 1, 2

[Text] Notice to the people, merchants, and sellers in Vientiane city and province.

The Standing Committee of the Council of Ministers issued Market Control Plan and Policy No 70, dated 19 December 1979, in order to promote expansion of production and to stabilize prices in local markets so as to play a part in normalizing the people's standard of living. It also increased the control of the markets.

The people, merchants, and sellers in Vientiane City and Province cheerfully implemented and are operating under this plan and policy. The results achieved have been gratifying to people of all classes, both urban and rural.

Although there have been good results, there have also been problems. Bad people have stolen cattle and buffalo and have butchered them without veterinary health inspections, in order to sell the meat in the markets or outside markets along side roads; this has caused disorganized crowds of people to gather in the middle of the roads, causing traffic problems for people and vehicles.

In order to implement all the provisions of the Market Control Plan and Policy of the Standing Committee of the Council of Ministers, and for Vientiane City and Province to carry out its control and management duties successfully and in an orderly manner, we, the Administrative Committee of Vientiane City and Province, request the people, merchants, and sellers in both urban and rural areas of Vientiane to pay attention to implementing the following additional matters.

1. People buying or selling cattle, buffalo, horses, or elephants must see that an accurate bill of sale is made out and that it provide a clear

description. Then it must be submitted to the canton administrative office or the closest police station to be held as evidence.

2. People, merchants, or sellers who intend to slaughter pigs, cattle, or buffalo that they have either raised or purchased must so inform the canton administrative office or the closest police station and must execute documents to be held as evidence. For buffalo, cattle, or pigs already having a bill of sale, authorization to slaughter may be granted upon presentation of the bill of sale. However, for buffalo, cattle, and pigs not yet covered by documentation, documents providing clear descriptions must first be submitted as evidence, and then authorization to slaughter may be granted.

3. People, merchants, or sellers who intend to slaughter their own animals for food or for sale in municipal or rural markets must take them to the Don Dw, Vientiane, slaughterhouse to be killed. The slaughterhouse, however, must inspect the papers, per paragraphs 1 or 2, above before slaughtering any animal.

4. After an animal is slaughtered and butchered, a veterinarian inspects it for disease. If it is free of disease it is stamped "O.K. to Eat" and is returned to be sold or eaten.

5. Butchered pigs, cattle, or buffalo found to be slightly infected with disease may be eaten but must be boiled thoroughly before it can be sold. If it is quite diseased, it is to be discarded. Selling meat which is quite diseased is absolutely prohibited.

6. People, merchants, and sellers who live in distant rural areas and who cannot take their animals to the Don Dw, Vientiane, slaughterhouse to be killed must present bills of sale for the animals to the canton administrative office or the nearest police station to gain authorization to slaughter them. After the slaughtering they must have the meat inspected by a veterinarian before it may be sold or eaten, for the sake of our people's health.

7. People, merchants, and sellers in the towns, especially the four municipal districts of Vietiane City and Province, must pay attention to conducting sales in accordance with commercial regulations. Every seller must display his wares, whether agricultural, handicraft, industrial, or other, at the officially designated market. Sellers are prohibited from displaying agricultural, handicraft, industrial, or other goods for sale along the sides of big or small roads in the towns.

8. People, merchants, and sellers in the towns, especially in the four municipal districts, thus must display their wares in their respective markets. They are prohibited from displaying them along the highways and selling them to passers-by.

9. People, merchants, and sellers involved in small-scale bartering or selling of used goods and native medicines must barter or sell them in

the shops. Bartering or selling such things in market aisles or along sidewalks is prohibited.

People, merchants, and sellers in Vientiane City and Province must study and implement this notice strictly. Any violator must accept responsibility for his own actions if he is observed by the authorities and creates trouble.

10. This notice is effective today, the date of signature.

Order Dated 1 January

Vientiane VIENTIANE MAI in Lao 21 Jan 80 p 3

[Text] Decision of the Council of Ministers.

--Based on a Politburo resolution concerning price changes for purchasing agricultural products and selling retail goods

--And in order to implement the spirit of Party Central Committee Resolution No 7 regarding circulation, distribution, prices, and salaries.

Article 1: The Council of Ministers establishes set prices for retail sales of eight staple commodities as follows (the monetary unit is the bank kip):

<u>Item No</u>	<u>Name of Commodity</u>	<u>Unit of Measure</u>	<u>Retail Set Price</u>	<u>Remarks</u>
1	Glutinous rice, ordinary type	1 kilogram	3.00	price is uniform nationwide
2	Salt	ditto	1.20	in salt-producing provinces (Vientiane and Savannakhet)
	ditto	ditto	2.00	in other provinces
3	Kerosene	1 liter	4.00	in Vientiane
	ditto	ditto	5.00	in other provinces
4	Textiles			price is uniform nationwide
	--cotton cloth, all colors, 0.85	1 meter	3.00	
	--khaki cloth, 0.85	ditto	22.00	
	--for other types of textiles and cotton thread, the Ministry of Industry and Trade will use these cloth prices as a standard for setting specific prices			

5	Soap powder, domestically produced	1 kilogram	16.00	price is uniform nationwide
6	Granulated sugar	1 kilogram	3.00	price is uniform nationwide
7	Canned milk	1 can	5.00	price is uniform nationwide
8	Writing paper, 21x31, (20 sheets per stack)	1 stack	1.60	price is uniform nationwide

The above set retail prices apply only to sales within planned quotas; for example, goods to be sold to peasants per year are 3 meters of cloth and 6 kilograms of salt per person as well as 5 liters of kerosene per family.

Article 2: For other consumer goods that will be centrally distributed among the provinces (besides the eight types specified in Article 1) the Ministry of Industry and Trade will specify only the trade discount price to be paid by localities upon receipt of the goods. The retail price will not be set by the Ministry of Industry and Trade. Thus the provincial administrative committees are responsible for setting retail prices at appropriate levels based on party and state pricing policies, the trade discount prices, and a comparison with local free market prices. Generally speaking, retail prices set locally should be set 5-10 percent lower than free market prices, depending on the type of goods. Price should not be set higher than free market prices.

For goods which localities purchase and bring in or produce locally, the local administrative committee has the right to set prices in accordance with the following principle:

If the type of goods is related to one of the eight commodities specified in Article 1, the locality sets appropriate prices as it determines per the provisions of Article 2.

Article 3: Besides the quantities of goods to be sold in accordance with quotas in primary markets, a number of stores must be established to sell, without restriction, in competition with free market prices and to make the free market price normal and constant. The set price must be nearly equal to the free market price or vice versa according to the amount of goods possessed by the state. The objectives to be emphasized are to prevent market prices from increasing, to struggle step-by-step to keep market prices constant and bolster the value of the bank kip, to normalize the cost of living, and to foster increased production.

Article 4: Each ministry or ministry-level organization and each provincial administrative organization is responsible for organizing strict and proper implementation of this decision in accordance with party and state pricing policies.

The Minister of Industry and Trade is responsible for assisting each province to correctly organize implementation of the prices set centrally, for providing guidance regarding employment, the calculation of prices for types of goods distributed centrally to the localities, and the setting of prices, and for developing and supporting pricing cadres for each locality to help the locality implement correctly the pricing policies of the party and state.

Article 5: These provisions are effective upon the date of signature. Other previous decisions which conflict with this one are hereby rescinded.

Vientiane, 1 January 1980

For the Standing Committee of the Council of Ministers

Deputy Prime Minister

Signed and Seal Affixed by: Nuhak Phumsavan

8947

CSO: 4206

INDUSTRY, TRADE SECTOR REPORTS PRODUCTION, SALES

Savannakhet Livestock Sales

Vientiane KHAOSAN PATHET LAO in Lao 14 Feb 80 p A3

[Text] Vientiane (KPL)--In the past year the multiethnic people of the districts subordinate to Savannakhet Province voluntarily brought in a total of 53,632 animals including 970 buffalo, 1,205 cattle, 6,357 pigs, and 45,100 poultry birds to be butchered for eating and to be sold in the state stores.

They also brought in 1,232 buffalo, cattle, and pigs to be bartered with nearby provinces which served to improve the living conditions for the people in Savannakhet and the other provinces.

This selling and bartering by the people of these localities played a part in accruing funds for the state to put into developing national wealth and strength. It also reduced private, fragmented commerce, making it gradually fade away.

Atsaphangthong, Savannakhet Rice Sales

Vientiane KHAOSAN PATHET LAO in Lao 13 Feb 80 p A1

[Text] Vientiane (KPL)--Since the first of January, members of agricultural cooperatives and farmers in the 10 cantons of [Meuang] Atsaphangthong District, Savannakhet Province, voluntarily and with joy and vigor have brought in over 300 tons of rice that was in excess of the amount they calculated would be consumed by their families, and sold it to the state.

These sales to the state not only brought income to these families but also contributed to the state's amassing of capital to be used in maintaining and developing the wealth and strength of the nation for the well-being of the multiethnic Lao people.

Private Trading Company in Luang Prabang

Vientiane KHAOSAN PATHET LAO in Lao 13 Feb 80 p A4

[Text] Vientiane (KPL)--On 3 February the Luang Prabang Province finance department chartered a private company with a membership of over 70 people to buy and sell foodstuffs within the province. This company was chartered to manage the normal distribution of all kinds of edibles to all the districts in the province in order to raise living standards in society.

Afterwards, duties were assigned to subordinate units. The board of directors instructed everyone to grasp in detail the operating methods and regulations of the company so that its plans can be carried out correctly and their full implementation can be assured.

Houa Phan Textile Production

Vientiane KHAOSAN PATHET LAO in Lao 9 Feb 80 p A2

[Text] Vientiane (KPL)--Last year the workers of the 12 October Textile Factory in Houa Phan Province exceeded their production quota by 10.84 percent.

During that period they produced 52,898 meters of various kinds of cloth, 12,886 meters of mosquito netting, several hundred face and bath towels, 33,088 items of clothing, and 68,270 meters of experimental cloth. They ginned, spun, and wove more than 16 tons of cotton.

Houai Sai Electrification

Vientiane KHAOSAN PATHET LAO in Lao 11 Feb 80 p A5

[Text] Vientiane (KPL)--On 10 February the [Muong] Houai Sai District electrical workers and cadre completed the basic stage of construction of an electric line into Houai Sai town. This work had been expedited since 20 December 1979.

This project involved installation of one 100-kilovolt generator; 39 new 8-meter-high electric poles; 30-50 centimeter wire; 69 old poles; 1,400 meters of 35-millimeter, 4,130-volt, aluminum wire; 1,600 meters of size 7-20/10 low-voltage wire; one 25-kilovolt-ampere transformer; and one 50-kilovolt-ampere transformer. This has brought electric service to 1,400 meters of roads in the town, state organizations and offices, one hospital, one movie theater, a number of military installations, and 150 residences of the people.

This accomplishment was due to the close direction of the administrative authorities, with the cooperation of engineers from the provincial headquarters and the assistance of all departments concerned. It was also due to all the workers and cadres, who were determined to overcome every problem and obstacle which enabled them to achieve this glorious victory.

Sam Neua Trade

Vientiane KHAOSAN PATHET LAO in Lao 29 Jan 80 p A2

[Text] Vientiane (KPL)--During 1979 the cadres of the Saloei store in Sam Neua District, Houa Phan Province, tried hard to bring a wide variety of goods to sell to the working people.

The goods included over 19,500 meters of various kinds of cloth, over 3,500 pieces of adult and children's clothing, over 600 blankets, over 1,600 bars of soap, over 3,190 packages of cigarettes, 4,267 liters of kerosene, over 50 tons of salt, over 600 kilograms of sugar, over 1,170 cans of milk, and a number of other family necessities.

In addition, they purchased dozens of tons of farm and forest products, including buffalo, cattle, pigs, goats, ducks, chickens, bones, skins, stick lac, benzoin, resin, and other things from the people.

8947

CSO: 4206

TRADE OFFICIAL DESCRIBES INTERNAL MARKET SYSTEM, VENDOR RESPONDS

Vientiane NOUM LAO in Lao 15 Jan 80 pp 8, 9, 12

[Text] On the question of the new policy of the party Central Committee concerning trade and the distribution of products within the country our NOUM LAO reporter interviewed a responsible official in the Domestic Trade Department, a farmer, and a market vendor. The substance of the interviews follows.

These are the remarks of Nivong Keonolasing, deputy chief of the Domestic Trade Department and head of the Central Food Company.

Question: What is the thrust of the new domestic trade policy?

Answer: By operating according to the decision of the party Central Committee's Political Bureau of the Cabinet [as published] on trade, concentrating on improving the livelihood of the cadres, organizational workers, and the people, especially in Vientiane, initially we have opened two retail stores, Store No 1 and Store No 2, which are subordinate to the Domestic Trade Department. The purpose of each store is different. Store No 1 serves only the cadres, military, laborers and organizational workers who are under the jurisdiction of a ministry, bureau, department, or an equivalent organization, that is subordinate to the central echelon. This store particularly implements the policy of distribution at the rate approved by the central echelon. Rice and salt are sold at a separate store, which is a state enterprise to insure and meet the demands for necessary goods. Store No 2 serves people in general according to their needs without partiality. As for cadres, military laborers and organizational workers, besides dealing with Store No 1, they can also buy at Store No 2. The objective serves three functions.

1. To answer the need for industrial products and food, to change the livelihood of all the cadres and the people for the better, step by step.

2. To control the price of goods and maintain the stability of the currency. In general these prices are 5-10 percent lower than those in the private market place.

3. To keep a cash flow into the bank and currency in circulation.

Question: What methods does the Domestic Trade Department employ to achieve a better life for the cadres and the people?

Answer: Specifically in 11 district towns in Vientiane Province, each district has a state store depending on its ability. The district store has three main functions.

1. To sell goods to all cadres, military, laborers, and organizational workers in the district.

2. To sell goods to all the multi-ethnic working people.

3. To buy agricultural and forest products to sell to the state.

In the four district centers of Vientiane City and Province the provincial industrial section opened two stores. One sells products to 21 sectors surrounding the province and the cadres in the 4 district centers. They serve the people equally when the sectors are at a distance from the centers or within any district. They may come to get a permit card from the department itself to go buy in that district.

Question: Is this new policy in operation everywhere?

Answer: In all areas we are doing this because our Domestic Trade Department has sent cadre to spread the word and advise on carrying out this new policy plan.

Interview with Farmer Uncle Som

This farmer lives in Nong Douang Tai Village, [Tasseng] Nong Douang Canton, [Meuang] Sikhottabong District, Vientiane Province.

[Question: How do you feel about the change from the liberation kip to the new bank kip?

Answer: The other farmers and I think alike. The new national bank kip is very good. I am at a low level and cannot calculate large sums. In using the new money, we have low figures but high value. For example, recently when I sold a pig, the price was tens of thousands of liberation kip, but now when I sell, it is only 400-500 kip, but the value is equivalent. The new kip buys market goods at better prices.

Question: What do you think of the new trade policy set by the Central Committee?

Answer: This new policy is very good because we can increase our production and have a surplus. We can use it or sell it freely. It is easy to buy animal feed. Go around and have a look at the various markets in Vientiane. You can see that clearly now. After the party and state's new trade policy was issued, fish and food was not lacking in the market. Last month 1 kilo of beef or water buffalo meat sold for 2,500-3,000 liberation kip. Today 1 kilo is only about 10 new kip.

Interview with Market Vendor

Deng makes her living selling meat in the Nong Douang Tai market.

Question: What is the present situation for you people selling meat?

Answer: We meat sellers are very happy because after the new trade policy it was easy for us to join together to buy animals in the country and we could sell them quickly. Look at the meat in the Nong Douang market. Now there are many stalls. Beside meat, vegetables and noodles are plentiful. Meat and fish now pour into the vientiane market from the villages and countryside and the price has gotten cheaper.

Question: What is it like using the new kip?

Answer: The new national bank kip is much easier to use than the liberation kip, because the calculation is simpler, the value is high and the prices are stable.

9615

CSO: 4206

AID DISTRIBUTED TO RETURNEES

Vientiane VIENTIANE MAI in Lao 21 Jan 80 p 4

[Text] On 19 January 1980 at Phon Thong Village, [Tasseng] Phom Thong Canton, [Meuang] Nasaithong District, and Dong Kham Sang Village, [Tasseng] Sala Kham Canton, [Meuang] Hatsaifong District of Vientiane Province there was a ceremony to present relief goods from the Provincial Social Welfare Branch, Vientiane, to help the persons who had evacuated their families from the area of the Nam Souang Dam Reservoir, the people in the four district towns [of Vientiane] who volunteered to engage in production, and those who returned from Thailand.

The aid was 8 tons of milled rice, 200 blankets, 200 mosquito nets, 400 rice and cooking pots, 400 plates and ladles, 700 hoes, shovels, machetes, hatchets, 200 buckets, 200 mats, and 100 wash basins. They received these gifts from the UN High Commissioner for Refugees. The Netherlands supplied part of this in financial aid through this organization.

The ceremony of presentation took place in the presence of representatives of the Ministry of Interior, Ministry of Foreign Affairs, Ministry of Public Health and officials from units concerned, along with all the people of the two aforementioned villages.

Honored guests at the ceremony were Mrs Christina Vopkuten, deputy chief of the Emergency Relief Branch for Food, of the Netherlands, Mr Rupert Anaknim, chief of the Public Relations Office, European Relief Institute in the Office of the UN High Commissioner at Geneva, and Mr Karl Romfobe, representative of the UN High Commissioner for Refugees in Laos, as well as the group of officials concerned.

9615

CSO: 4206

HATSAIFONG IRRIGATION PROJECT DESCRIBED

Vientiane NOUM LAO in Lao 15 Jan 80 p 5

[Excerpt] [The Nam Houm is a stream that flows through [Meuang] Nasai-thong District, Vientiane Province. For this reason the people of Vientiane know it well and not only by name. From this came the song "Let us meet at the Nam Houm Reservoir." There the Vientiane populace has worked by the sweat of the brow since 1978. From those efforts the Nam Houm has changed from a river that was scarcely of any use to become a watercourse serving an area of more than 4,000 hectares of rice fields in the rainy season and 2,000 hectares in the dry season. A dam to hold a reserve water supply was built. Now they have added a large project, the construction of a permanent reservoir which can store 56 million cubic meters of water. The Ministry of Agriculture, Forestry, and Irrigation decided to assign this heavy but glorious responsibility to Irrigation Construction Company No 1.

In an interview Comrade Sitaheng, a young technician, a member of the Management Board of the Irrigation Construction Unit No 1 and chief of the Nam Houm Reservoir construction project, informed me that: "This major project has continued to progress from the time the people of the capital started work on it in 1978. Now the party and state take a special interest in supplying the construction materials and equipment, primarily large and small size trucks, bulldozers, excavators, earth movers, and other types. They have 30 technicians and 150 laborers. Now the workers are accelerating their task to finish the dam according to plan." I asked Comrade Sitaheng when he estimated this project would be completed. He replied, "Oh, it is already 50 percent complete now. I think that in June 1980 we can let the water out to the rice paddies."

9615
CSO: 4206

BRIEFS

PHONG SALY-LAI CHAU AGREEMENT--A signing ceremony was held on 12 February in the Phong Saly province of North Laos for the construction of a store, warehouse, canteen, photography shop and banking office built with aid from the Lai Chau province of the Socialist Republic of Vietnam. Signing for Laos was Mr Kham One, vice-president of the Provincial Committee of the party and the Phong Saly Provincial Administrative Committee; for Vietnam, Mr Dieu Trinh Tieu, member of the Permanent Committee, vice-president of the Provincial Administrative Committee, and head of the delegation from the Vietnamese province of Lai Chau. The signing took place in the presence of Mr Asang, secretary of the Party Provincial Committee and head of the Laotian province, and of Laotian and Vietnamese officials. [Text] [Vientiane BULLETIN QUOTIDIEN in French 16 Feb 80 p 6] 8782

KHAMMOUAN LOGGING--This January, sawmills Nos 1, 3, and 4 of the Agriculture, Forests and Hydraulics Service of Khammouan province cut 915 cubic meters of timber and sawed more than 410 cubic meters of lumber, which was sold to the people, public services and foreign customers in the proportions planned. [Text] [Vientiane BULLETIN QUOTIDIEN in French 11 Feb 80 p 3] 8782

KHAMMOUAN RICE SALES--This year the four districts of Khammouan province have sold to the government more than 179 metric tons of surplus rice. The Nong Bok and Thakhek districts accounted for 130 metric tons. [Text] [Vientiane BULLETIN QUOTIDIEN in French 5 Feb 80 p 3] 8782

HOUA PHAN COOPERATIVES--For 1979, farmers in the Viengthong district of Houa Phan province formed 46 agricultural cooperatives farming 977 hectares of rice paddies. They had 596 draft animals and some farming tools. [Text] [Vientiane BULLETIN QUOTIDIEN in French 26 Jan 80 p 5] 8782

KHAMMOUAN CROPS--The farmers of the Hin Boun district of Khammouan province recently harvested more than 433 metric tons of tubers, including 377 metric tons of cassava and sweet potatoes, 46 metric tons of corn, and 5 metric tons of mungo and soya beans. [Text] [Vientiane BULLETIN QUOTIDIEN in French 1 Feb 80 p 2] 8782

HOUAI SAI PADDY EXPANSION, LIVESTOCK--Last year, farmers in the Houai Sai district of Louang Namtha province of North Laos added more than 600 hectares of rice paddies to bring the district's total to 3,628 hectares. They also repaired and constructed the irrigation system: 298 small dams, and 405 channels repaired and dug over a total length of 67 km. Livestock also increased markedly over 1978 with 1,670 head of cattle, 3,212 buffalo, 695 horses, 9 elephants, 447 goats, over 7,000 pigs, and more than 2,000 fowl. They also dug 2,917 fish ponds. [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Feb 80 p 2] 8782

REEDUCATION CENTER PRODUCTION--In 1979 the Don Thao Don Nang sawmill (reeducation center) above the Nam Ngum dam cut down 6,242 trees, cut 785 billets of timber, sawed 706 cubic meters of wood, built a 250-metric ton capacity storage area, built 14 canoes, and produced nearly 6 metric tons of charcoal. The wicker works produced 6,769 bamboo hats, and rice baskets among other useful articles; the foundry also produced 5,370 machetes and watering cans. These units also did some farming and livestock raising. They harvested 20 metric tons of various tubers and vegetables. Some 18 metric tons of fish were also caught. [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Feb 80 p 4] 8782

ATTOPEU TRADE, COLLECTIVIZATION--The total population of Attoupeu Province is more than 70,000. Today all the people of Attoupeu Province with the leadership of the party and state, and the local government authorities, have profound understanding and firm belief in the policy and plan of the party and state, demonstrated by their decision to join in a new type of socialist production, turning from private, scattered production to agricultural cooperative units, which can introduce scientific technology. Now throughout the province they have established more than 20 agricultural cooperatives with 725 families of more than 10,000 persons, with more than 1,000 hectares of rice fields, 2,000 draft animals, of which 395 are cattle, complete production equipment, and several tens of hectares planted with food crops, fruit, and timber for industry. Trade is based in 14 state stores. They also have canton stores, collective stores of the coops and various production units. This makes it possible to distribute goods conveniently and daily to all the people in the province. This is the basis for the exchange of raw materials and products between the state and the people which constantly becomes easier. [Excerpts] [Vientiane SIANG PASASON in Lao 16 Jan 80 pp 2,3] 9615

LUANG PRABANG, HOUA PHAN COOPS--In 1979 all the citizens of [Meuang] Houa Meuang District, Houa Phan Province and [Meuang] Oudomsai District, Luang Prabang Province enthusiastically and voluntarily turned from cultivating their individual scattered farming to join in collective production in the socialist way, by setting up 33 agricultural cooperatives. Of these Oudomsai District has 20 cooperatives with almost 6,000 members and 10,000 hectares of rice paddies. Oumotsai District [as published] has 8,402 hectares with draft animals and complete production equipment. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 22 Jan 80 p A9] 9615

CHINAIMO WATER WORKS--There is a tremendously large project, the construction of a new water works at Camp Chinaimo on the outskirts of Vientiane, by the Ministry of Communications, Public Works, and Transportation. This afternoon I had an opportunity to visit the project. They [workers] carry out their specialized tasks with great vigor. On this occasion I met Comrade Boliboun Sanasisan, a young engineer. He is responsible for this project and he told me "This water works project was begun in January 1979. We estimate that by mid-1981 there will be [an expenditure of] more than 60 million dollars. Our plan when finished will have 3 phases: phase 1 is where we are at present, we can produce 40,000 cubic meters of water per day; phase 2, 80,000 cubic meters per day; phase 3, 120,000 cubic meters per day." [Excerpts] [Vientiane NOUM LAO in Lao 15 Jan 80 p 4] 9615

HOUA PHAN COOPERATIVIZATION--Vientiane (KPL)--During January the multiethnic people of Ban Thin and Ban Kho in [Tasseng] Sam Tai Canton, [Muong] Sam Tai District, Houa Phan Province voluntarily turned from private, fragmented farming to joint, socialist farming. This comprises 102 members, over 50 hectares of land, and a full complement of utensils. This raised the number of agricultural cooperatives in that canton to eight. Another report says: 38 families in Ban Khong, Hiem Canton, Vieng Thong District, Houa Phan Province, with over 50 hectares of land, 19 working buffalo, and a number of tools and carts also voluntarily formed an agricultural cooperative in January. This brought the number of cooperatives in the district to 12. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 14 Feb 80 p A1] 8947

SAVANNAKHET DRY SEASON RICE--Vientiane (KPL)--Since the beginning of December last year, the members of agricultural cooperatives and farmers of various cantons in Savannakhet have resolutely hastened to complete plowing, raking, and transplanting of dry season ricefields on time. At present they have completed the basic stage of planting, which covers more than 2,400 hectares. The planting of those fields was accomplished by cooperative methods and division of labor into teams for plowing and raking, transplanting, building dikes, and controlling water levels, and it was completed faster than would have been possible with private, fragmented methods. At present they are diligently looking after the growing rice. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 16 Feb 80 p A3] 8947

SAVANNAKHET BANK DEPOSITS--Vientiane (KPL)--From January to the present, the cadres, soldiers, and people of various offices and units around the Savannakhet provincial headquarters voluntarily deposited 7,487 kip of their savings in the state bank. The portion deposited by military cadres was 3,730 kip. Besides indicating a high spirit of sacrifice to participate in national development, the depositing of these savings plays a part in normal circulation of money and maintenance of the stability of its value. It also helps to keep the prices of goods in the market constant. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 15 Feb 80 p A2] 8947

LOUANG, NAMTHA LIVESTOCK INCREASE--Vientiane (KPL)--During 1979 there was a moderate increase in the number of animals raised by the people of Louang Namtha Province. There was an increase of 4,872 buffalo, 1,542 cattle,

11,409 pigs, 2,489 horses, 3,533 goats, and over 200,000 ducks and chickens. One hundred thirteen fishponds were dug. These increases in the number of domestic animals in Louang Namtha Province are due to the encouragement of local administrative authorities and the mobile teams that inoculated animals against diseases that periodically infect them, as well as due to the restrictions on slaughter of female animals that are still capable of breeding and to the introduction of scientific raising methods. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 15 Feb 80 p A3] 8947

LUANG PRABANG RICE SALES--Vientiane (KPL)--From the end of December to the end of January, the farmers of the 12 cantons of Luang Prabang District, Luang Prabang Province, sold to the state a total of more than 52 tons of rice that was excess to family consumption requirements. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 8 Feb 80 p A2] 8947

PHONG SALY LITERACY WORK--Vientiane (KPL)--On 18 January the Committee to Eradicate Illiteracy and Promote Culture of Samphan District, Phong Saly Province, officially announced the eradication of illiteracy within its district, following a mobilization campaign and the organization of adult education classes throughout the district. Newly literate people total 4,868, including 1,618 females. During the same period the multiethnic people of six cantons--namely Lao Ngam, Nong Ke, Mon The, Phouak, In, and Bak--in Lao Ngam District, Saravane Province, and of Pak Nang Canton, Pak Sane District, Vientiane Province, were also able to eradicate illiteracy. The number of newly literate people is 2,380, of which 2,079 are in the six cantons in Lao Ngam District. Currently, adult education movements are operating vigorously in each location in order to meet the illiteracy eradication goals set by the Party Central Committee. Newly literate people are taking additional classes in order to raise their knowledge and skills to meet the needs of building socialism and defending national security. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 23 Jan 80 p A7] 8947

LOUANG NAMTHA ROADBUILDING--Vientiane (KPL)--Since the beginning of January the multiethnic people of Namtha and Nale districts of Louang Namtha Province, in conjunction with Public Works Department workers in both district, have been building a road more than 100 kilometers long from Namtha to Nale. At present the work is 60 percent complete, and it is expected to be finished by the end of February. Currently the people and workers of the two districts are working with diligence and joy in an attempt to finish the road on schedule so it can improve travel and transport between the two districts. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 7 Feb 80 p A4] 8947

PHONG SALY LITERACY DRIVE On 10 January 1980 the Guidance Committee on Literacy and Culture Promotion of [Meuang] Khoua District, Phong Saly Province officially announced the basic elimination of illiteracy for all the people within their district. Of the total of 3,455 persons made literate there were 1,526 females. Khoua District is the second district of the province that could declare complete literacy after the government authority at every level took an interest in mobilization and promotion establishing regular teaching for the students. There has been a movement to conquer ignorance among the people since Order No 8 of Prime Minister Kaysone Promvihan. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 14 Jan 80 p A4] 9615

CS0: 4206

UK MINISTER MARTEN DISCUSSES FOODGRAIN AID

BK281525 Hong Kong AFP in English 0928 GMT 28 Mar 80 BK

[Text] Katmandu, 28 Mar (AFP)--Great Britain has committed to grant 5,000 metric tons of foodgrains to help Nepal fight the current acute food shortage in the country, it was officially learnt today.

The actual supply of the British food aid has not yet been made because of the lack of approval from the European Economic Community (EEC).

Visiting British Minister for Overseas Development Neil Marten had an hour-long discussion with the Nepalese minister of state for food and agriculture, Ijaya Prakash Thebe, about the food situation in Nepal.

According to official sources, Mr. Thebe explained to the British minister about the problem of food transportation to the inaccessible mountainous regions of the kingdom.

Because of drought in 1979, Nepal's food production has fallen by 22 percent causing a food deficiency of 740,000 metric tons, which has directly affected 1.5 million people in 65 of the total 75 districts.

In order to feed the drought victims Nepal needs at least 200,000 metric tons of food supply for which she had approached a number of countries including Japan, the United States, West Germany, Britain, World Food Productions [as received] (WFP), India and China.

The WFP has agreed to grant 22,000 metric tons of foodgrains of which the share of the United States would be 11,000 metric tons, while West Germany has committed to grant 2,000 metric tons. China and India have agreed to extend a loan of 11,000 metric tons and 25,000 metric tons respectively.

Mr. Marten has assured Nepalese authorities that he would expedite the EEC to approve Britain's commitment to supply foodgrains to Nepal, on his return to London.

Mr. Marten who is currently on a 6-day official visit to Nepal had a meeting with Nepalese Foreign Minister K. B. Shahi yesterday and exchanged views on the situation in South Asia in the context of the Soviet military intervention in Afghanistan and British economic aid to Nepal.

Mr. Marten also had a meeting with Dr. D. N. Vadav, the Nepalese minister of state for education, and discussed the British technical assistance to Dharan Engineering Campus, and the training of Nepalese in Britain.

CSO: 4220

ISLAMIC ELECTION SYSTEM EXPLAINED, WESTERN SYSTEM CONDEMNED

Lahore NAWA-I-WAQT in Urdu 27 Dec 79 p 12

[Article by Maulana Mohammed Malek Kandhalwi: "Question of Election; Method of Election; Islamic Election"]

[Text] The question of election and its methodology is being discussed these days. The discussion of this issue is also going on in the courts. In my opinion, there is no complication as far as research of the main problem is concerned. There is no ambiguity or vagueness. The outlook is also predetermined and decided, because Pakistan's very existence is based on Islam and its foundation is the Koran and the teachings of the Holy Prophet about the ways of life. Therefore, there should be no hesitation to point out in an outright manner whatever is un-Islamic and against the Sharia [Islamic law] at any level--judicial, academic or scholarly.

There should be no controversy about the fact that the Western style of democracy cannot be accepted. In Islam there is no provision that every individual be allowed to participate in the election or selection of the head of a nation. During the period of the first four caliphs [successors] of the Prophet, no election was held. The Holy Prophet said: "My way of life and that of my successors should be your ideal." Therefore, the method adopted to elect the four successors should be decidedly considered the method of Islamic election.

It was determined that Abu Bakr would be the first caliph of the Holy Prophet, because he was appointed by the Prophet to lead the congregation of Moslems. In that manner, the Prophet made it clear that Abu Bakr was to be the religious leader and head of the Moslems. Accordingly, the distinguished companions of the prophet who were the "men of opinion" or "wise men," assembled at "Saqifat Bani Saada." They were the trustworthy and pious people of the Moslem nation, and they decided that Abu Bakr be the first caliph.

Initially, the "Ansar" [supporters of the Prophet], the local residents of Medina, were of the opinion that the head of the Islamic nation ought to be one of them. The Ansar had helped Islam, but the "Muhajirin" [the emigrants who fled with the Prophet from Mecca to Medina], had promoted

and propagated the cause of Islam in Medina itself. Thus, Islam got its true honor and high dignity. The Ansar did not deserve to have the first caliph chosen from among them. In his speech, Abu Bakr expressed the opinion that the caliph should be chosen from a group whose superiority is established among all Moslems, so that people would agree to his election and nobody would hesitate to accept him. Abu Bakr further said: "Oh Moslems, in my opinion you should choose your caliph from among two persons. One is 'Umar and the other is [Uthman]. Abu Bakr also quoted from the conversation of the Prophet that the head of the Islamic nation should be from the tribe of Quraysh. The wise men and men of authority rejected this as against the spirit of Islamic principles and Islamic law. But finally 'Umar said: "Folks, you know that the Prophet ordered Abu Bakr to lead the congregation. Now tell me: "who among you would want to take the place of Abu Bakr?" The residents of Medina replied: "We seek the help of Allah. How could we dare to take the place of Abu Bakr?" They added: "Allah calls for three qualities, and no one but Abu Bakr has these three qualities."

According to the Holy Koran, the definitions of these three qualities are as follows: First, Abu Bakr is referred to as second after the Prophet. Second, the Holy Koran refers to Abu Bakr as "Sahib," which means special companion and sincere friend of the Prophet. Third, Allah mentioned that he was on the side of the Prophet and Abu Bakr. In its narrative, the Koran says that the Prophet told his companion (Abu Bakr) not to worry because Allah was with them. Taking into consideration these three qualifications, it was proven that only Abu Bakr was the best and only choice to be the leader of the Moslems.

In short, the selection of the first caliph shows clearly that the only people qualified to elect a caliph (or a leader) are those who are godfearing, wise and intelligent, and have deep insight into selecting the best man for the nation. It is obvious that each and every Moslem did not vote in the election of Abu Bakr.

The second method [of election in Islam] is the nomination and designation method. Before he died, Abu Bakr designated 'Umar to be the next caliph. He did this after consultation with the wise men. At the time, 'Umar was unquestionably the best person to be a leader. That was the basis for his nomination. Thus, the first criterion is that the wise men should be consulted; the second criterion is that the leader be the best among all the Moslems from the Islamic point of view. Shaykh Ibn Hajar Makki explained this in his book "Sawaik-E-Moharreka."

The third method [of election in Islam] is "Shura" or consultation. Under it, no person is nominated or designated to be a caliph. The wise men do not announce the selection of any special person after considering his acknowledged superiority. However, the ruling head of the nation himself designates a consultative body to elect his successor. The consultative body should only consist of people who are recognized for their strong conviction and faith in Islam, who are known as Islamic-law abiding people, who are acknowledged for their integrity, understanding and wisdom and

whose personalities are the biggest source of inspiration to unite the nation. Moreover, each of them should be capable of leading the nation should that be needed. Accordingly, 'Umar, the second caliph, designated a consultative body of six members (to elect his successor). They were 'Uthman ibn 'Affan, 'Ali Ibn Abi Talib, Talla, Zubayr, Saad ibn Abi Waqas and 'Abd al-Rahman ibn Ra'uf. These six men were out of the 10-member group which was known as "Ashara-e-Mubashara." They were six out of the 10 good newsmen, as they were called by the Prophet, and it was evident that they were the best among the whole nation (of Islam).

So, there are at least two [sic] methods of selecting the leader. The first one is by acknowledged pious and trustworthy persons; the second by selection according to the "Shura" (consultation) system. In the latter system, a consultative body has to select the head of the nation. Abu Bakr was elected under the first method, and 'Umar was elected according to the second method. None of them was elected on the basis of a general election. On this basis, if the system under which the early caliphs were selected is adopted, it would be known as the Islamic type of election. In the Holy Koran, it is advised to settle problems according to Shura. The Prophet was advised by Allah that he should consult with his companions, despite the fact that the Prophet was receiving direct and "pure" messages from Allah himself. The Prophet did not have to be dependent on the advice of his disciples, but Allah told him to consult with his companions on [non-manifest] matters. The Prophet used to consult with his companions and especially with Abu Bakr and 'Umar.

According to Al-Tabarani, 'Ali ibn Abi Talib says that he once asked the Prophet: "Oh Messenger of God, should we face a situation where something is neither allowed nor forbidden by Allah, what are we supported to do?" The Prophet replied: "Consult among yourselves. Discuss the matter with scholars, wise men and men of faith and dedication to God. And do not impose the advice of any specific person." Imam Darmi says: "Whenever he faced an important problems, Abu Bakr used to seek the opinion of wise men." 'Umar also followed the same practice. Using this system, they built the foundation of "Ijma'" (which means collective opinion). In an order issued by 'Umar under the name of Qadi Sharif, the system is apparent. (See chapter on Government System in Islam in "Fathalbari" p 10).

Meaning of "Mushawara" in Arabic

The literal meaning of Mushawara and Shura is squeezing honey from the beehive. As honey is extracted from the beehive, extremely useful and valuable advice is derived from a council of consultants in a purified form. As honey cures diseases, so does good advice help to get rid of disasters and to solve difficult problems. It helps to overcome worries, restlessness and embarrassment. In "Siraj al-Mulk" p 44, shaykh Abu Bakr Fartushi Maliki writes: "Administration should be based on the three qualities: a. Moderation and an attitude of attention to the people. b. Consultation. c. Never giving a position of importance (Government leadership) to anyone who is greedy or who wants it badly.

Consultation is the basic pillar of government administration, because it helps focus attention on all aspects of a problem--good or bad. Just one man's opinion may be wrong, although he may be an extremely wise man. One man's wisdom cannot grasp all the circumstances and the various possibilities. Consultation between more than one man helps overcome the weaker aspects of each man's opinions. Intellect is like a lamp. Only one lamp cannot light each and every corner of any place. When there is more than one lamp around, each and every spot of a certain place will be visible, and all the minor and minute details will be seen.

It is said in the Hadith (narrative relating to deeds and utterances of the Prophet and his companions): "Make your wisdom fruitful by mutual discussion and consultation. And get help regarding big projects, programs and ventures through mutual consultation." Another passage from the Hadith which could be referred to in this context says: "One who is proud of his opinion and ignores the advise of others is misled, and one who depends only upon his own judgment and does not care for the advise of others is sure to stumble and fall." Therefore, according to the Koran and the Hadith, it can be determined that the affairs of the Moslems should be sorted out through the Shura or system of consultation. So, it is obvious that the election or the selection of the head of an (Islamic) nation is one of the most important questions that a Moslem nation needs to handle. The question of election should be referred to the wise men and not to laymen. To elect the head of the nation on the basis of majority votes is not only against the principles of Islam, the Koran and the Hadith, but is also against common wisdom and intellect. According to Islamic principles, it is not enough to be wise and intelligent to be a member of a consultative body. Ulemas (Moslem religious leaders and experts) have determined that such member should have the following qualifications:

1. A member should have the ability to give advise as well as be extremely intelligent.
2. He needs experience, because it brings out the best of human wisdom and intelligence.
3. He should be a Moslem, because a non-Moslem cannot be a wellwisher of Moslem affairs. Therefore, his being "Moslem" is a basic condition.
4. A non-Moslem cannot be a member of the consultants group.
5. He has to be an Islamic-law-abiding, godfearing, virtuous and trustworthy person. Without these virtues one would be an embezzler and a selfish person who would always give advise that serves his own motives and interests.
6. There should not be the slightest doubt that a would-be member is a selfless person. This is precisely why under Islamic guidelines, a father cannot be a witness against his children and vice versa. Similarly, spouses

cannot bear witness for each other, as their interests are common. There is a possibility that even the most virtuous person can be selfish where he or she is a witness for his or her spouse, father or children. On this very basis, the second caliph, 'Umar ibn al-Khattab would not appoint his son 'Abdullah as a member of a consultative council, in spite of the fact that it was fully established that 'Abdullah was a learned man, a scholar of Islam, an honest and godfearing man, and that he even had the honor to participate in the "Holy Wars" along with the Prophet.

7. The member should be well known for his knowledge, honesty and fear of God. Obviously, a person who is not obedient to God and does not repent for his sins cannot care for people and their rights.

It is said in the Hadith: "When your rulers are those who are the best and most virtuous among you; when they are the richest, kindest and most generous, and when all problems are settled through Shura, it will be better to live on this earth rather than be buried under it. And when the situation is the opposite, that is to say when the worst among you are your rulers, when the richest among you are misers and when your affairs are settled by your wives, it will be better to be buried than living on this earth."

With these conditions and qualifications, there are a certain number of responsibilities and duties that members of consultative councils are required to accept. Thus, a member must express his opinion without the slightest hesitation. He should give no concession to anybody and he should not be selfish and he should seriously listen to the opinions of others, and then form his own opinion.

'Abdullah ibn 'Abbas used to say: "I have obligations to a man who joins my company. When he enters I have to offer him a seat. And I must listen to him very carefully, so long as he is attentive to what I have to say." The Almighty God specifically mentions this as an (important) quality. He says in the Koran, "Moslems should listen to others attentively and then follow a course which is better for them. A Moslem (or a member of a consultative body) should not hurriedly express his opinion, because it is possible that after listening to another person's point of view, he might feel that his own view is weaker and thus might change it."

Method of Making a Judgment After Consultation

Among members of a consultative council, differences of opinion are quite possible. When there are differences, there are two ways of passing a judgment. The first, is the majority vote; the second is the power of persuasion (meaning superior persuasion). According to Islamic jurisprudence, the power of persuasion is preferred. For example, suppose there are 12 members in a council of whom 8 have one opinion while 4 hold a different one. Support also that the opinion of the eight is not based on Islamic jurisprudence while the four members find their argument based on the Koran and the Sunna. In that situation, on the basis of powerful

evidence, the opinion of the four should be given preference to that of the eight, because the opinion of the eight is not based on the Koran and is not supported by the Sunna. In such a case, it should be assumed that the opinion of the eight is not based on sound principles, and that the majority in this case is not important.

When the Prophet consulted with his companions regarding the fate of the prisoners taken during the battle of Badr, the majority of the companions supported the view of 'Umar ibn al-Khattab that all prisoners be executed. Very few supported the view of Abu Bakr that the prisoners be freed through fida (ransom). The Prophet's consultative council gave preference to Abu Bakr's opinion, because his view was based on the possibility that this gesture might attract people toward Islam for its kindness and moderation. It was also possible that they would [ultimately] embrace Islam as their faith. [In the meantime], the ransom money would help to finance the holy battles and to exalt the name of Allah.

However, implicit with this view is the negative possibility that some selfish or greedy person could embark on moneymaking (by freeing prisoners for ransom). For a clarification, Allah has given a sort of warning in Holy Koran: "You may covet the temporal goods of this world, but God will be your judge in the hereafter." (Passage from Anfal in "The Spoils of War," Chapter 8, translated by Abdullah Yusuf 'Ali.)

The Prophet and his comrades were by no means addressed by Allah to this effect. (This was not in reference to them.) The suggestion and idea of Abu Bakr was praiseworthy and desirable in every respect. (For more details please refer to other books of interpretation.) In short, a powerful opinion (based on the Koran and the Sunna) is preferable to a majority of votes. However, in a situation where no one offers any powerful arguments, the majority of votes has to be accepted.

In an authentic book about the Hadith, al-Bukhari narrates the holy battle of Hunayn, in which the Prophet fought. During that battle, members of a tribe were taken prisoners, and their properties were seized. In the meantime, other members of the tribe had the honor of embracing Islam. After their conversion, they visited the Prophet and demanded the release of their fellow tribesmen and their properties. The Prophet intended to free the prisoners only. He consulted with his companions and said: "In order to reach a decision, send your responsible representatives so that they will think about the problem and contribute to the decision." The Prophet did not ask each and everybody to vote on the issue. He did not consider the opinion of the majority, but he sought the views of distinguished persons of the nation.

Real democracy is an elective system based on Shura. The detailed study presented above makes it clear that only this system of election can help to establish real democracy, solidarity of the country and justice in the world. It would also help to get rid of destructive elements. When trustworthy, knowledgeable, faithful, virtuous, honest, serious and justice-loving people are the members of consultative councils, they would not

make light of the interests and welfare of the country and the nation. In general, they will not allow anybody to suppress the rights of the people and the country. They will not allow a situation to develop in which people are deprived of their rights. They will not allow a situation which would give rise to oppression, destruction and disturbances. They will not allow the dignity and honor of the nation and the lives and properties of the people to be endangered. As a result, a strong and consolidated government will be established. This way it would be assured that the opinions of the people are not ignored. Therefore, the election or selection of such a "Majlis e Shura" (Consultative Council) would indeed be a true and perfect form of democracy. This will be the only proper way of election from the Shura point of view. Wisdom tells us so.

In contrast to this, the current system of election (which is called the Western democratic way of election) is not democratic at all. That kind of election is meant only to dominate a country. It creates a destructive situation, crushes the rights of the people, and gives way to disruption and disturbances. It is against wisdom to allow every adult to participate in elections for many reasons. Besides, it is against the Sharia. It is the source of riots and disturbances in the country, and thus suppresses the rights of the people. It is obvious that all individuals do not have the ability to understand all the national interests and requirements of the country. Common sense tells us that everybody does not have the ability to understand who can run the government, who is sincere and who is not, or who is the true custodian and who is not.

Whereas a vote is indeed a testimony for something, not everybody is adept at these things. Would you allow a farm worker or a mill worker to go to a university to confer a degree on a scholar? It is obvious that this kind of hilarious situation cannot be allowed. Anybody who does not even know how to read or write would be allowed to vote in the election of ministers and president of a country? It is not possible. There is no question about it. By counting (such) votes a group of individuals could be imposed upon a nation. The majority could consist of elements which are selfish and self-indulgent. So, each will consider his personal interest while voting. It is clear that the interest of one person will not be similar to that of another. Thus, right from the outset there would be clashes among various groups.

Again, when a government is established on this basis, selfish and undesirable elements face open doors and find that the head of the nation and the minister would support them. The result will be oppression, disobedience, political riots, bloodshed and dishonor of the country, and its people. The people of Pakistan have already experienced this. When a candidate runs for election he is likely to use all resources and money to buy votes and he is likely to make all kinds of commitments for the future and thus mislead the people. Right from the beginning animosity will be created between rival candidates, and there could be a situation where full-fledged political fighting will go on. When a candidate uses his

wealth and resources to get elected, once he is elected he has to use the treasury and the resources of the government to make up for his losses. It is not necessary to explain how damaging this would be for a nation and what kind of evils will engulf it. The influential people who help a candidate get elected, come forward to take undue advantage of him (after his election) so as to achieve their (personal) goals. The candidate would be obliged to act accordingly. Consequently, the administration will be a corrupt one. Pakistanis have experienced all these things thoroughly.

In short, from the Sharia point of view, there is no room for this kind of election, because this kind of election, as explained in details above, was never held at the time of the early successors of the Prophet. Moreover, it is absolutely against the sovereignty of the Almighty Allah to allow everyone to vote and to appoint someone on the basis of a majority.

If a country has a system where a ruler is chosen from a family, it could be a focus of attention to find out who among that family is the choice of the people. But the Moslems have a different faith; they believe that all the universe belongs to Allah and only Allah owns a country. Only his commandments are to be enforced in a country. It is clear that the only person who can be elected to be the ruler of a country is that person who has the ability and capacity to enforce the orders of Allah. Such a person must have all the qualities which are required of the head of a Moslem nation. Does everybody have the ability to judge the qualifications of "Khilafat e Ilahia" (government run on behalf of Allah) and vote for the deserving person, at a time when the majority of the people are ignorant and illiterate?

The majority belongs to those who are not honest or virtuous. The majority belongs to those who are out to achieve their own desires and motives. The majority belongs to those who commit acts of cruelty. The majority belongs to those who corrupt and who suppress others' rights. Having taken Sharia and common wisdom into account, can it be imagined that the above-mentioned majority would be allowed to vote, and that by counting their votes the head of the nation would be appointed and placed in a position to distribute high posts?

An election would undoubtedly mirror the kind of majority we have in Pakistan today. In such a situation there would be no permanent constitution, because in a democracy sovereignty belongs to the people and democracy is the name of people's majority. The constitution of the nation would reflect the trends among the people and their tendencies. As a result, the entire system of the country would be conditioned on the desires of people. The possibility of discussion about honesty, piety, moral values and good and bad deeds would come to an end. As a result of this, it will become necessary for the ruling political party to pass laws [defining these values] and to enforce them. That would condition laws according to natural desires and motives. This way, for example, a majority reflecting 60 percent of the people would ignore the opinions and rights of the remaining 40 percent. It is not difficult to imagine the kind of evils the country would be engulfed in as a result of this.

Thus, the kind of democracy which claims rather attractively that it is based on the adult franchise, will be snatching the rights of almost 50 percent of the people and imposing a system on them like an oppressor. We witnessed in our country this kind of a spectacle of democracy when a political party representing 34 percent of the people overpowered the nation, ignoring the views and opinions of 60 percent of the population, and we witnessed the consequences. Whatever causes may be cited for it, it surely came into being as a result of the Western style of elections.

By and large, all above-mentioned facts indicate that the very start of this kind of democracy would be clearly against the commandments of Allah and his messenger Mohammed, because every candidate in the nation would act like a greedy person seeking high position. Our Holy Prophet has absolutely forbidden that any position be given to a person who is greedy.

Abu Musa Ashari recalls a visit to the Holy Prophet along with two of the Prophet's cousins. One of the two said: "Oh messenger of Allah, appoint me to some position. Give me some work, so that I could be of some help in the cause bestowed upon you by Allah." The second cousin expressed the same desire. The Holy Prophet replied: "I swear in the name of God that we will never give a position to a person who is out to get it and greedy for it." (Bukhari, op cit p 1058). 'Abd al-Rahman ibn Samra narrates that the Holy Prophet told him once: "Oh 'Abd al-Rahman one should never seek the position of head of the nation." (Bukhari, op cit p 1058).

Similarly, in many passages of the Hadith it is clearly forbidden to seek a position. So, it is apparent, that the type of election which is against the commandments of the Holy Prophet cannot be considered an Islamic elective system.

In any case, Western style democracy is neither acceptable to Islam nor can it fulfill the requirements of democracy. In contrast, the Islamic Shura method of election is the real democratic (way of election). Only the Shura system is based on a just constitution which makes it possible to safeguard the rights of everyone, rich as well as poor. Under Western democracy, the political party or the leader who comes into power is not [effectively] "answerable." Individuals cannot question him or his party. He is answerable only to the assembly or the parliament. In contrast, under the Shura system of Islam, the selected or elected head of a nation can be answerable to anyone. Anybody can quite openly question the head of the nation when he makes a speech in a gathering, and he or she can get an answer. It was the practice of the great 'Umar ibn al-Khattab to answer any question whenever he made a speech or spoke from the pulpit in the mosque. He used to be delighted at it, and would always answer and provide a satisfying reply. Sometimes he would say from the pulpit: "May the Almighty Allah bless the person who brings me the gift of my own faults."

In this "brief" article, the advantages of the Islamic election [system] cannot be discussed in detail (It would take several hundred more pages). Books written on the topic by Moslem scholars should be studied for this purpose. The few arguments that the author of this essay has presented should be sufficient to prove that Western style democracy is against wisdom as well as against Islamic jurisprudence. More of this kind of democracy cannot provide the country with peace and a strong well established constitution; nor can it protect the rights of individuals. Election on the basis of adult franchise is without doubt un-Islamic, and there is no place for it in an Islamic country like Pakistan.

An Important Problem and Its Solution

This question has great importance, and the lawmakers and thinkers of the country are making efforts to find a solution for it. The question is as follows: In case an election is held under the Shura system, who would be appointed members of the Shura [council] and how would this council be formed? The humble author of this article has this solution to offer. In Pakistan persons become famous for their knowledge, understanding and piety. These persons may be elected from within the academic, religious and welfare organizations of each city and town of Pakistan. Such persons are distinguished, well known and trusted for their honesty, knowledge, understanding and insight. It is not impossible to sort out such people. It could, undoubtedly, take time, but it would not be so difficult as to be considered impossible.

Thus, these elected people from all the regions would be determined as "men of solution," and a Majlis e Shura [Consultative Council] could be formed out of these elected people. According to interpretation of the Sharia, every member of the council must have all the qualities that are required of the head of the nation. This means that every member should be a man of faith, pious, knowledgeable and understanding. He should be a person who is beyond any suspicion and who is acceptable to all. There should be no allegations against him regarding sinful hobbies or activities or embezzlement. This council will be representative of all classes and regions of the country, and should be considered trustworthy to elect the head of the nation.

When chosen, the head of the nation would distribute important positions in the government to members of the Shura council, taking into consideration their abilities. They will be the representatives of all the regions of the country. In this manner, public opinion as a whole will be reflected in their appointments. From the Sharia point of view, this method of election will be more proper and more effective. The country would be saved the buying and selling of votes. The riots that occur during elections and the activities of the candidates would be avoided.

Under the Islamic system, the nation would enjoy the leadership of men committed to the faith (Islam) of knowledge, understanding, honesty and piety. These men would be the protectors of the peoples' rights in the

real sense. Thus, the (administrative) system of the country will be established on strong foundations. Although this seems difficult under present circumstances, it will be much more comfortable than rioting associated with general elections. The proposal presented by this humble author can be implemented after all necessary modifications are made. It can then be hoped that by doing so the nation would get rid of Western democracy which is a curse, an imprecation and an anathema.

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VIALE BASE FOR ECONOMIC GROWTH STRESSED

Islamabad THE MUSLIM in English 20 Mar 80 p 8

[Text]

ISLAMABAD, March 19: The National Finance Commission was today asked that the considerable gap between resources and expenditure must drastically be curtailed, and revenues increased in order to make larger development allocation to the less-developed provinces.

President Ziaul Haq had directed the Finance Ministry and all other government organisations last year to completely cut down wasteful expenditure in order to deploy the scarce national resources for financing the most beneficial project and other uses.

This was reiterated here today by Finance Minister Ghulam Ishaq Khan, while addressing the members of the National Finance Commission. The Commission was set up in 1979 to make recommen-

dations to the government on questions like distribution of net proceeds of divisible taxes between the Federal and Provincial Governments and provision of grants to provinces for development projects.

Mr. Ishaq Khan, said it was extremely necessary to bridge the gap between the expenditure and revenue, both at the Federal and the Provincial levels, so that the two "can move in concert for building up a truly viable base for achieving a sustained economic growth".

The Finance Minister expressed the hope that if the growth potential of the nation was properly harnessed "it will help remove the sense of deprivation felt in certain areas", and would enable the country overcome its existing economic difficulties.

The National Finance Commission, he said, should devise practical

means for expanding the resources, and to distribute these resources in a manner to ensure the financial viability of both the Federal and Provincial Governments.

The Minister held out an assurance that the government would continue to support the less developed provinces in their uplift efforts.

The Minister also stressed the need for taking tangible steps to ensure proper maintenance and utilisation of the existing socio-economic infrastructure and productive capacity, as in his opinion such a strategy would yield much greater dividends in the immediate period of difficulties than by embarking on new ambitious projects for which current maintenance may have to be sacrificed.

-APP

ECONOMY SHOWS SIGNIFICANT PROGRESS: GNP UP BY 13.6 PERCENT

Lahore THE PAKISTAN TIMES in English 16 Mar 80 p 1

[Text]

ISLAMABAD, March 15: The Gross National Product of the country measured at current factors cost, increased by 13.6 per cent in 1978-79, to a level of Rs. 191,584 million. The per capita rose by 10.2 per cent to Rs. 2,459.

According to the basic facts for 1978-79, issued by the Economic Adviser's Wing of the Ministry of Finance of this increase, the GNP deflator rose to 7.3 per cent during 1978-79, so that real GNP increased by 6.3 per cent and real per capita by 3.4 per cent.

Another aspect to be noted is that a significant proportion of the GNP, more than 6 per cent, originated from net factor incomes from abroad primarily in the form of workers' remittances. The Gross Domestic Product which excludes such flows amounted to Rs. 177,662 million at current factor cost.

Two departures from the recent past had begun in 1977-78 and these continued to mark the performance in 1978-79. Firstly, a respectable growth performance was restored that year, and secondly, the rate of increase in incomes from home remittances considerably outpaced those from domestic output.

In both respects, however, the performance in 1978-79,

was more subdued than that in the previous year, the GDP growth rate declined from 7 per cent in 1977-78 to 5.9 per cent in 1978-79, while net factor incomes from abroad increased by 137 per cent in 1978-79 compared with the extraordinary increase of 106.6 per cent in the previous year.

Despite the reduction in growth rate, the performance in 1978-79, was not unsatisfactory. Taking the years 1977-78 and 1978-79 together, the performance not only depicts economic revival, but

compares favourably with earlier periods. In these two years, the GNP increased at an annual average rate of 8.2 per cent against growth rate of 3.1 per cent during the fifties, 6.8 per cent during the sixties and 4.2 per cent in the first seven years of the decade of the seventies.

A part of the high growth in the last two years reflects the surge in incomes earned and remitted by Pakistanis working abroad, but even without this element the performance has been respectable, thus, the Gross Domestic Product increased at an annual rate of 6.5 per cent during the last two years, compared with a growth of 3.7 per cent during 1970-77 and 6.8 per cent during the peak growth years of the 1960's.

Both the commodity producing and services sectors contributed to the rising trends of GDP and GNP in 1978-79: The former recorded a growth of 4.4 per cent while the latter grew by 7.3 per cent during 1978-79, among the commodi-

ty producing sectors, agriculture and manufacturing experienced increases of 4.2 per cent and 4.8 per cent respectively compared with 2.5 per cent and 9.2 per cent last year. The growth rate remained almost unchanged for commodity producing sectors as a whole. It slightly declined for services sectors during 1978-79.

The growth of agriculture in the country during 1978-79 recorded at 4.2 per cent compared to 2.5 per cent in 1977-78.

Major crops registered a growth rate of 5.2 per cent, minor crops 2.4 per cent in 1978-79 compared to 2.1 per cent and 2.4 per cent respectively in 1977-78.

During 1978-79 total cultivated area increased by 1.0 per cent from 19.76 million hectares in 1976-77 to 19.95 million hectares. Total cropped area increased by 1.2 per cent from 18.21 million hectares in 1977-78.

The area under forest, increased by 0.7 per cent to 2.86 million hectares in 1976-77 compared to the preceding year. Net area sown showed an increase of 0.6 per cent to 15.16 million hectares in 1977-78 over the last year.

Country's cement production would be increased from the present capacity of 3.4 million tonnes to 5.2 million tonnes by 1982-83, says the basic facts 1978-79.

Home remittances which cover the major share of Net Factor Income registered a growth of 16.8 per cent during 1978-79, which nevertheless compares unfavourably with the phenomenal increase of 100.2 per cent last year.—PPI

REPORTAGE ON OIL EXPLORATION, DEVELOPMENT

Hunt Intensified

Islamabad THE MUSLIM in English 20 Mar 80 p 1

[Article by M.I. Lashkar]

[Text]

PESHAWAR, March 19: About 10,000 barrels of additional oil per day will be available within the next fortnight when production will start at four wells in Potohar region.

Disclosing this, the Federal Minister for Petroleum and Natural Resources, Lt.-Gen. F.A. Chishti, told the energy symposium being held here today that the additional quantity would be available from the Qazian, Meyal-5, Adhi-5 and Dhermond wells.

The Minister explained the trouble which Adhi-5 had developed and said after deminimization with special equipment, recently imported by the government, the well would be producing 1,500 barrels a day from March 30.

He said the share of indigenous oil in total consumption in the country had gone up from 10 to 12 per cent, and it was expected to rise significantly with the completion of development schemes in the Potohar area by next year.

The Minister said two refineries at Karachi, based on imported crude, were operating at optimum level. Besides increased availability of high-speed diesel from Pakistan Refinery and the plant

for lubricating oil unit in National Refinery, a 16-inch pipeline was being laid from Karachi to Multan. Initially this pipeline will carry various oil products and later on transport crude oil to the refinery, to be set up near Multan.

Referring to the exploration efforts, the Minister said besides OGDC, a number of international companies were engaged in this sector, and more have shown interest to join oil hunt in Pakistan.

The Minister said gas reserves had been located in Pirkoh and Dodhak for which exploitation plans have been finalised.

Sui gas field, which is now producing about 760 million cubic feet gas per day, would achieve its optimum level of production of 860 million cubic feet by the end of 1981.

APP adds: The Minister said the search for oil and gas had been intensified to reduce Pakistan's dependence on imports.

Gen. Chishti said although Pakistan was meeting two-thirds of its energy requirements from indigenous sources, the imports of oil to meet the one-third requirements, was a heavy burden. During the current financial year, the import bill on crude oil and petro-

leum products was estimated to 1.2 billion dollars, which was more than half of the country's expected export earnings.

The Minister said no amount of foreign aid could make the country strong. The secret of strength and prosperity lay in increased production, he stressed.

He said the existing gas resources of the country and the energy had already started showing positive results and were being exploited to derive maximum benefit.

He said the non-conventional sources of energy enjoyed a very important place in providing the partial energy needs of the rural areas, which was being pursued actively.

Over 75 bio-gas plants were in operation and more were being constructed to demonstrate the utilisation of animal waste to provide bio-gas for domestic purposes without wasting its qualities as a manure. For the purpose the drinking water and small industrial needs of the rural community, solar energy was also planned to be utilised initially on an experimental basis, and mini-hydro units were being set up to meet the power requirements in the remote areas such as northern areas of the country, he remarked.

Additional 36,000 Barrels

Islamabad THE MUSLIM in English 21 Mar 80 p 1

[Text] **PESHAWAR, March 20:** An estimated additional quantity of 36,000 barrels per day of oil will be available in the country by 1982 as a result of intensified oil exploration efforts of the government, M. Masi-uddin, Secretary Federal Ministry of Petroleum and Natural Resources said here today.

Speaking at the concluding session of the two-day symposium on "Energy in the Eighties", Mr. Masiuddin said 16,000 barrels were expected to be available from Mayal wells, and 10,000 barrels each from Tut and Adhi wells.

He said the production of 10,000 barrels a day from Tut wells might be available next year.

Another 10,000 barrels a day were expected from the Qazian wells, which were under production testing at present, he said, adding that the extent of reserves in Qazian would be known next

month.

Responding to various questions raised by the delegates during the course of the deliberations at the symposium, the Secretary outlined the efforts being made by the government to promote energy sources in the country. He, however, assured the delegates that the recommendations of the symposium would receive due consideration of the government.

In reply to a question he said efforts were being made to determine the total reserves of natural gas in the country. Steps had already been taken to increase the supply of gas to 850 million cubic feet per day, he said.

Mr. Masiuddin said, efforts were underway for the development of gas from Dhodak and Pirkoh fields. Testing at the third well at Dhodak was being taken in hand next month.

He estimated that the Dhodak fields, which was the Oil and Gas Development Corporation Project, would produce 40 million

cubic feet of gas per day.

Similarly, in Pirkoh, three appraisal wells were planned to be drilled by 1980 which too should supply about 40 million cubic feet of gas, he said.

Mr. Masiuddin said the government proposed to extend gas pipeline to Jhelum, Kharian, Mirpur and Mandi Bahauddin from the northern gas reserves, during the next two years.

Answering another question he said the project of extension of 12-inch diameter natural gas pipeline to Quetta was expected to be completed in 1982. The pipeline, which would carry about 35 million cubic feet of gas, would cost about 60 million dollars, he said.

The symposium, which was organised by the Petroleum Institute of Pakistan held a threadbare discussion on various aspects of energy. Delegates from different foreign countries including USA, Dubai, Turkey and Kuwait, in addition to the representatives of OPEC, participated in symposium, besides a number of Pakistan experts in energy.—APP

Minister Inaugurates Test Drill

Islamabad THE MUSLIM in English 23 Mar 80 p 1

[Article by Sikandar Hayat]

[Text] **ISLAMABAD, March 22:** Petroleum and Natural Resources Minister Lt. Gen. F. A. Chishti today inaugurated the drill stem testing of Meyal-5, about 120 kilometers south-west of here, amidst strong indications that oil efforts have begun bearing fruit.

According to cautious official estimates the well when brought on stream would produce over 1,500 barrels a day of API gravity-42 light, sweet crude of very superior quality.

Later, the Minister visited the Qazian-I oilwell, a Gulf-OGDC joint venture, near Gujar Khan, where high water pressures, which had plagued the drilling for quite some time, had been brought under control. The well which is expected to yield about 5,000 barrels a day,

has been drilled 5382 feet deep and is now supposed to have smooth drilling without encountering water zones any more.

On the visits to these two oilfields, the Minister was accompanied by the Secretary Petroleum Masiuddin, Chairmen of OGDC and Pakistan Oilfields Limited and senior officials of the Ministry of Petroleum.

Mayal oilfield is exclusively managed by the Pakistan Oilfields Limited. It is the most prolific and produces about 7,000 barrels day.

The Meyal-5 has been drilled in the main jurassic sandstone formation to the depth of 15,100 feet in little over a year by the Pakistani staff of the POL with the help of a very old rig, the super structure of which has been designed and raised entirely by the local

hands. The well on completion will cost about 5 million dollars.

The oil from the well will be transported to Attock Oil Refinery which is now undergoing expansion to meet the rising demands of the oilfield in this area.

Briefing the journalists, Secretary Petroleum said the Meyal field was also very rich in gas and a liquification plant will be set up there by November next year.

He said gas production was a vital field in which the World Bank and Asian Development Bank had shown keen interest. He said he would be meeting the World Bank officials next week to negotiate the bank's plan to invest about 111 million dollars.

The Secretary said, a reservoir survey had been launched in the Dhodak gas field to determine the parameters for further development. About ten more wells, two for

reinjection and eight for production, are expected to be drilled in that field, he said.

At Qazian, the Minister was informed that when the well had reached a depth of 5382 feet in the lower Murree formation of Miocene age, it started flowing oil along with high pressure water. The flow has since been controlled with strenuous efforts and application of specialised techniques imported by the Gulf in the shortest possible time.

Steps are now in hand to consolidate the position by setting casing and sealing off the high water

pressure zones.

The well will be further drilled to its proposed depth of 8,000 feet.

The OGDC Chairman told the Minister that at this stage it was difficult to give the exact amount of oil the well is likely to produce but the pressure of the first gusher indicated that the well would be one of the best.

He said soon after this well starts production, another site in the same concession block would be taken up for another well. He said Darya Khan concession area is also being surveyed for drilling by the Gulf.

Development Firm Budget Cut

Isalambad THE MUSLIM in English 23 Mar 80 p 1

[Text]

KARACHI, March 22: Owing to paucity of resources, a cut of Rs.140 million has been effected in the overall budget of the Oil and Gas Development Corporation (OGDC) for oil exploration for 1979-80, according to well-informed oil industry sources.

Originally the government had earmarked Rs.750 millions for the current year's exploration but later, after revision, the amount was reduced to Rs.610 million i.e. Rs.110 million more than 1978-79 budget allocation.

The cut is stated to be unwarranted in view of the government's avowed objective to reduce the country's dependence on oil imports by intensifying its efforts for oil hunt.

Federal Petroleum Minister, Lt.-Gen. F.A. Chishti, declared in Peshawar the other day that the country's import bill of oil and petroleum products this year was estimated at 1.2 billion dollars, something equal to Rs.12 billion, more than half of the country's expected export earnings.

The exploratory efforts are still at such a slow pace that since 1947 the number of total wells

drilled is only 195, plus seven which are being drilled. The figure of 195 includes 96 exploratory wells and 99 developed wells.

The drilling efforts have resulted in the discovery of eight oil and one condensate fields. The names of places and the year of discovery of these fields are: Khaur (1955), Dhulian (1935), Joy Mair (1946), Balhasar (1946), Karmal (1956), Toot (1968), Meyal (1968), Dhodak (1976) and Adhi (1978).

The number of gas fields discovered so far is 12. They are: Sui (1952), Zin (1954), Uch (1956), Khairpur (1957), Kandkot (1959), Mari (1957), Mazrani (1959), Sari (1965), Hundi (1979), Kothar (1973), Rodho (1974) and Pirkoj (1977).

Although the discovery ratio of 1 to 55 may be termed as quite high but the discoveries so far made are minimal compared to the fact that out of the total area of Pakistan more than 85 per cent has potential oil-bearing sedimentary rocks, and the fact that experts have estimated the total oil reserves at 3,600 billion barrels, a figure recently endorsed by Dr. I.H. Usmami publicly.

Pakistan's failure to achieve

self-sufficiency in oil is attributed by the oil industry sources to the inadequacy of exploratory efforts.

Since 1947, only 96 exploratory wells (plus 2 being drilled at Dhermand and Miranvala) have so far been drilled with an average of three per year.

When we compare our oil efforts with other countries, our failure becomes all the more glaring. For instance during 1976, a total of six wells, with only two exploratory wells, were drilled in Pakistan while the figures for other countries were: (the first figure relates to total wells drilled while the second figure pertains to exploratory wells against the name of each country).

USA: 41,455, 9,234; Canada: 6,211, 2,481; Argentina: 645, 83; Brazil: 288, 105; Mexico: 336, 79; Austria: 71, 36; Netherlands: 43, 25; Spain: 28, 23; Libya: 64, 22; Algeria: 54, 11; Nigeria: 143, 21; India: 23, 13; and Bangladesh: 5, 5.

It may be noted that out of the total 94 exploratory wells drilled since the establishment of Pakistan, 29 wells did not reach the target and were abandoned without reaching the producing zones.

OIL EXPLORATION RESULTS REPORTED

Karachi MORNING NEWS in English 23 Mar 80 pp IV, 6

[Article by Shareef Siddiqi, senior executive in Pakistan Petroleum, Ltd)

[Text] Some 2,000 barrels of crude oil a day will be available to the country when production from Adhi Well 5 commences by the end of this month. At current rates of international prices of crude oil the anticipated production is expected to save the national exchequer in foreign exchange an equivalent of Rs. 5,50,000 daily or about Rs. 200 million per year.

Adhi is a joint venture of Pakistan Petroleum Ltd. and AMOCO with Pakistan Petroleum Ltd. as the Operator.

Production from Adhi will supplement the production from six oilfields that are currently in production, namely Khaur, Dhulian, Joya Mair, Balkassar, Tut and Meyal. Production from these fields during the last five years has been as follows:

Field-wise average day production of crude oil

Year	Khaur	Dhulian	Joya Mair (In US barrels)	Balkassar	Tut	Meyal	Total
1974-75	6	1,695	474	1,538	513	2,468	6,694
1975-76	7	1,046	471	1,285	550	3,522	6,882
1976-77	5	725	537	1,150	1,223	6,616	10,255
1977-78	5	472	393	888	1,392	6,547	9,697
1978-79	6	389	245	881	1,749	6,898	10,167

It will be observed that against an average day production of 10,167 barrels per day in 1978-79, Pakistan's daily requirements of petroleum products are now estimated to be of the order of about 90,000 barrels a day. Although with the commencement of production from Adhi Well-5 indigenous production would rise by about 2,000 barrels a day, total indigenous production would still be meeting about 13 percent of Pakistan's

oil requirements. The balance of 87 percent of Pakistan's oil requirements will continue to be imported. At current rates of oil prices the oil import bill for 1979-80 is expected to cost the national exchequer Rs. 12,000 million, accounting for some 55 percent of projected exports during the current year. If the oil producing countries raise the price of their oil still further, which is not unlikely, Pakistan would be confronted with still greater difficulties. Hence the need for further intensifying exploration activity for locating new oil deposits as well as speeding up the development of the known oil fields and recent discoveries together with putting up on production the dormant gas fields.

Both intensive and extensive exploration is a must to discover the vast reserve of petroleum hydrocarbons that Pakistan is reported to have. According to experts the region possesses all the prerequisites for generation and accumulation of petroleum hydrocarbons. The vast sedimentary basins of Pakistan extend over an area of about 2,51,000 square miles or about 80 percent of the total land mass with sidespread oil and gas seepages.

According to a study by Messrs I.B. Kadri and M.S. Abid of Pakistan Petroleum Ltd, the estimated hydrocarbon potential of the Indus Basin alone is estimated to be of the order of 40,000--45,000 million barrels of oil and 105-110 million cubic feet of gas. Another study carried out by the Oil and Gas Development Corporation put the quantitative estimates of the predicted hydrocarbon reserves of onshore prospective sedimentary areas at 53,000 million barrels of oil and 145 million cubic feet of gas. The estimates of predicted hydrocarbon reserves of the offshore areas of Pakistan within the water depth of 500 feet are estimated to be of the order of 3,269 million barrels of oil and 8.4 million cubic feet of gas.

Compared to the prospects of such large sedimentary basins estimated to contain the abovementioned reserves the published data shows the discovery of 744 million barrels of oil reserves (i.e. oil in place) and nearly 26 million cubic feet of gas reserves (i.e. gas in place). This is due mainly to the fact that a very limited number of exploratory wells have been drilled in the country so far which falls too short of the number of wells needed to discover these reserves.

Exploration

History of oil exploration in the region that now constitutes Pakistan, is as old as the oil industry itself. The first exploratory well was drilled at Kundal, west of Mianwali in 1866, seven years after the world's pioneer oil well in Pennsylvania, USA. The first oil field was discovered in 1885 by drilling a shallow well at Khattan in the tribal area of Baluchistan, followed by additional wells in that area during 1885--92. A production of about 23 thousand barrels of oil was achieved during the period. The production, however, declined at a very fast rate and the wells were abandoned, being uneconomical. In the beginning of the 20th century, exploration

efforts were concentrated in the Potwar area in the Punjab. Pakistan's first commercial oilfield was discovered in 1915 at Khaur in Potwar area in the Punjab, followed by several other discoveries that is Dhulian in 1937, Joya Mair in 1944 and Balkassar in 1946.

At the time of Independence in 1947, the only companies engaged in oil exploration at that time were Burmah Oil Company and Attock Oil Company both of which transferred their exploration activities to their subsidiaries namely Pakistan Petroleum Ltd. and Pakistan Oilfields Limited. In order to gear up oil exploration, the Government promulgated the Pakistan Petroleum (Production) Rules in 1949. Under these rules, several tax concessions were granted to oil companies in order to accelerate the pace of exploration. Various foreign companies showed interest in Pakistan, especially after the discovery of natural gas field at Sui, then considered the seventh largest gas field in the world, by Pakistan Petroleum Limited

(PPL) in 1962. The Government signed oil exploration agreements with a number of companies such as Standard Vacuum Oil Company (now Esso Eastern Inc), Hunt International, Shell Oil Company, Sun Oil Company and Tide Water Oil Company during the five year period from 1954 to 1958. As a result of the joint venture with private oil companies a large number of the areas on land and parts of offshore areas were geologically and geophysically surveyed and some of them were tested by the drill. An average of nine to 10 wells per year were drilled during that period. These efforts resulted in the discovery of several gas fields. Besides Sui with original recoverable raw gas reserves of 8,624 million million cubic feet Pakistan Petroleum Limited discovered Zin Gas field in 1954, Uch Gas field in 1955, Khairpur Gas field in 1956, Mazarani Gas field in 1958 and Kandhkot Gas field in 1959. Pakistan Oil fields and PPL's efforts resulted in the discovery of Karsal Oilfield in 1956 but production from this field declined rapidly and the field had to be abandoned in 1965. POL also succeeded in discovering a new oil producing horizon in the Dhulian oilfield.

PUBLIC SECTOR

Pak-Stanvac, now Esso Eastern Inc., discovered Mari Gas field in 1957. With original re-

coverable raw gas reserves of 3,942 million cubic feet it is the second largest gas producing field in the country after Sui.

The exploratory activities, however, decreased markedly after reaching the peak in the second half of the 1950s largely due to lack of discovery of a significant oil reserve and easy availability of low priced imported crude oil.

To sustain and accelerate the pace of exploration, the public sector was introduced in 1961 when the State owned Oil and Gas Development Corporation (OGDC) was set up with Soviet assistance. The OGDC together with Pakistani companies and the international oil companies, that had remained in Pakistan, however continued their search for oil. Amongst foreign oil companies the efforts of Sun Oil Company needs to be mentioned as they were the first to take up offshore drilling in the country. They drilled their first offshore well at Dabho Creek in the Arabian Sea in 1963. No oil was found. They drilled their second offshore well at Patiani Creek and the third at Korangi Creek. These two were also abandoned as failures. After these costly failures they abandoned their activities in Pakistan.

Although Sixties witnessed reduced exploration activity,

mainly by international oil companies, it was during this period that Oil and Gas Development Corporation discovered Sari Gas field in 1965 and Tut Oil field in 1968. Pakistan oilfields Ltd also discovered their Masal Oilfield in 1968. During this period Pakistan Petroleum Ltd. also drilled several test wells--Dasori-I (1960-61), Chak Beli Khan-3 (1963-64), Kundian-I (1965), Adhi-3 (1965-66), Adhi-4 (1967) and Pezu-I (1968-69) but all proved costly failures.

Concessions

To encourage the international oil companies to come forward and join in the activities of exploration for oil and gas in the country the Government took several steps during late Sixties and onward. The incentives/concessions which were granted included, lower rate of income tax, reimbursement of exploration expenditures after first commercial discovery, freezing of the rate of royalty, free remittance of profits and depreciation funds etc. The increase in the world prices of oil, effective October, 1973, and subsequent increase focused attention on the need to further increase exploration activity in Pakistan. Realising this need the Government announced further concessions to foreign oil companies in November, 1976, some of which are summarised below:

- (a) Exemption from payment of import duty on machinery and equipment imported for exploration and drilling;
- (b) Inalienable right of the lessee to export its share of petroleum after meeting the internal requirements of the country at a rate as may be agreed upon between the lessee and the Government; and
- (c) Exemption from payment of Income Tax for three years to the experts of companies which come and join in exploration of oil.

These and other incentives granted earlier by the Government of Pakistan attracted many international companies. Some of those who were prepared to stake their capital, know-how and effort in oil search in Pakistan were Wintershall, AMOCO, Marathon, Husky Oil, Texas Gulf, Gulf Oil, Union Texas, Shell etc. Other participating companies have been total, BP Union Oil and Continental Oil. Negotiations with international companies are currently reported to be going on and it is likely that some more may join the oil search in the country.

These and other international companies together with Pakistan oil companies and the OGDC have to date drilled about 100 test wells in the country. (This excludes 20 test wells drilled by the companies in East Pakistan up to December, 1971). According to available information test wells drilled, company-wise, are as follows:

PPL	26	
OGDC	16	
AOC	1	[as printed]
POL	13	
Hunt International	11	
Amoco	9	
Esso Eastern	8	
Sun Oil	3	
Wintershall	3	
Marathon	2	
Pakistan Shell	2	
Union Texas	2	
Tidewater	1	
Texas Gulf	1	
Husky Oil	1	
Gulf Oil	1	

Discoveries

It will be observed that Pakistan Petroleum alone accounts for over 25 percent of the total wells drilled in the country.

The search for petroleum in Pakistan has so far resulted in the discovery of 12 gas fields, one gas and condensate field and three promising oil discoveries. This gives a success ratio of 1:6 compared to the worldwide accepted ratio of 1:10.

Pakistan Petroleum's exploratory effort has so far resulted in the discovery of six gas fields: Sui, Uch, Zin, Khairpur, Mandhkot and Mazarani. Of these Sui alone is on production. It may be recalled that the discovery and utilisation of Sui Gas field brought about an industrial revolution in the country. Thousands of industrial units large, medium and small, were set up in the country because a dependable source of energy was there. Besides being used as a source of energy it is also used as a feedstock in the fertilizer industry. Since 1955 till Dec. 31, 1979, only a little over 23 percent of the Sui Gas reserves have been produced. Gas offtakes from Sui in 1979 were equivalent in heating value to some 4.47 million metric tons of furnace oil. On a conservative estimate Sui Gas use brought about a foreign exchange saving of Rs. 5,400 million last year.

PPL also had some oil production at Balkassar and Karsal in the Potwar region. However, their leases were surrendered to the Government when production from these fields had declined to uneconomic levels.

The latest success is the discovery of good quality oil at Adhi Well 5, a joint venture of PPL and Amoco.

Pak Stanvac's (now Esso) exploratory effort resulted in the discovery of Mari Gas field which is already on production and supplying gas to two fertilizer factories.

MOMENTUM

As described earlier OGDC discovered oil at Tut and Pakistan Oilfields at Meral in 1968.

NATURAL GAS RESERVES AS ON 30TH JUNE, 1979 (In Million Cubic Feet)

Field	Recoverable Reserves Originally	Cumulative Production	Remaining Recoverable Reserves
Sui	8,834,441	1,797,353	6,836,883
Zin	100,000	—	100,000
Uch	2,800,000	—	2,800,000
Khairpur	1,000,000	—	1,000,000
Kamhet	408,608	—	408,608
Mazarrui	91,000	—	91,000
Mari	3,943,080	117,803	3,825,488
Sari	28,000	13,143	14,857
Hundi	20,000	—	20,000
Dhulian/Meral	1,378,284	228,097	1,149,187
Kothar	N.A.	—	N.A.
Rodho	N.A.	—	N.A.
Dhodak (condensate gas field)	4,500,000	—	4,500,000
Pirkoh	N.A.	—	N.A.
TOTAL	22,621,343	2,145,353	20,475,990

FIELD-WISE AVERAGE DAY PRODUCTION OF GAS IN PAKISTAN (In Million Cubic Feet)

Year	Sui (PTL)	Mari (ESSO)	Sari/Hundi (OGDC)	Dhulian (AOC)	Meral (POL)	TOTAL
1974-75	424	31	—	19	8	482
1975-76	411	32	9	17	14	483
1976-77	434	33	12	14	30	523
1977-78	480	33	9	11	32	565
1978-79	508	35	11	—	55	609

It will be observed from the above table that Pakistan Petroleum's Sui field has the largest reserves and accounts for more than 80 per cent of total gas production in the country. Secondly of the 12 gas fields so far discovered only four i.e. Sui, Mari, Sari and Hundi are on production and the rest are lying dormant. Thirdly associated gas is also produced along with oil from Dhulian, Tut, Meral and Balkassar. The associated gas reserves from Dhulian, Dhodak and Meral have been estimated at 5,878 million cubic feet.

Both these fields are on production and a crash development programme for increasing production from both the fields is underway.

More recently it has been reported that OGDC have discovered oil at Dhermand-I and Gulf Off have had oil shows at Qasim-I. It may be recalled that Gulf Oil have working obligations to drill five test wells in five different blocks within a period of four years. Other international companies which are currently engaged in exploratory effort in the coun-

try include Union Texas, AMOCO, Husky Oil, Occidental and Shell.

According to the agreement signed with the Government, Shell have working obligation to drill three exploratory wells in the first four years and to spud first well within 15 months of signing of the concession Agreement. Presently Shell is reported to be looking for a rig capable of drilling up to a depth of about 12,000 feet to meet first well spud-in commitment.

Search for oil in the country has thus gained momentum in the last few years. The need of the hour is that this should not only be maintained but accelerated in the coming years. In addition, the development and utilisation of the fields that have been discovered should be expedited at fast speed.

Development of the dormant gas fields should also be given due consideration by the Government for meeting the country's rising gas requirements as Sui Gas field is now reaching optimum level of production. These steps alone if pursued vigorously could bring us nearer to our goal of increasing production and meeting an ever increasing share of petroleum requirements from our own resources.

SELF SUFFICIENCY IN OIL THROUGH RECYCLING

Lahore THE PAKISTAN TIMES in English 15 Mar 80 p 8

[Text]

Pakistan is expected to become self-sufficient in production of lubricating oil by the year 1982, thereby saving the country foreign exchange to the tune of 28 million dollars. This was revealed by Oil Industries Pakistan Ltd. in a recent Press release.

The country's total requirement of lubricating oil is 122,000 tons per year. It is estimated that by reclaiming used lubricating oil and processing it to rid it of various contaminating agents, approximately 45,000 tons of oil can be recycled.

The first reclamation plant has already been set up in Karachi and has been functioning since October, of 1979 through the good offices of the Hydrocarbon Development Institute of Pakistan. It has been maintaining rigid quality control & highest standard of professional supervision. A second plant will soon be operating at Lahore. These projects are fully supported by the Directorate of Oil Operations. Further research is being done to find ways and means by which the plants can reach their maximum production capacity.

The country is at present importing about 40,000 tons of Base Oil per year. Pakistan

will be able to reclaim a quantity equal and even exceeding the present imports of Base Oil and by doing so will save as much as 28 million dollars in foreign exchange.

Several problems of collecting used oil throughout the country and transporting it to the reclamation plants have yet to be ironed out. A comprehensive self-supporting national system is required which can only be established with the aid of the concerned Government agencies. These & certain other problems confronting the reprocessing plant are being actively considered by the Directorate of Oil Operations.

The reclamation of used lubricating oil is nothing new to the developed world and the 'Acid-Clay Treatment' is widely used to clean the Base Oil and the resultant product conforms to international standards of reclaimed oils and is found to be equal to and in most cases better than the virgin oil.

The Government is fully conscious of the need to save foreign exchange and also of the need to conserve energy. Besides the two plants already functioning, two more plants have been sanctioned: One for Karachi and one for Multan. * * *

EFFORTS TO UPLIFT LESS DEVELOPED PROVINCES URGED

Karachi MORNING NEWS in English 25 Mar 80 p 4

[Editorial: "Closing the Gap"]

[Text] The National Finance Commission has been asked to drastically curtail the considerable gap between resources and expenditures and increase revenue to make larger allocation for development of the less-developed provinces. In a situation characterised by serious resource constraints, the need for austerity in Government expenditure can hardly be overstressed. Happily, the Government is conscious of this need and has taken positive measures to bridge the resource-expenditure gap. A bold effort is also being made to increase the revenue through netting tax dodgers. However, the fact remains that in a country already taxed to capacity, there is little scope for additional taxation. Hence, the emphasis must of necessity be on checking tax evasion. Besides, a dent should be made in the low level of public savings in order to regenerate the investment climate, both in the public and private Government savings schemes should serve as a positive incentive to investment in these channels. The Government has already made five percent across the counter cut in its expenses and has also reduced subsidies on a number of items as an economy measure. This is all to the good, but it leaves much to be desired. If the present tempo of development is to be maintained, the administration cost and other nondevelopmental expenditures will have to be drastically curtailed. This is precisely what the National Finance Commission has tried to drive home. It is only a serious effort to overcome resource constraint that we can enable the retarded regions of the country to catch up with the times. Resource constraint not only militates against our effort to pull the less-developed provinces out of the economic morass but also compels us to lean more heavily on deficit financing and external borrowings thereby fanning the inflationary flame.

Abridgement of developmental gap between various regions is our constitutional obligation. We are not only faced with inter-regional disparity but intra-regional one as well. This is attributable mainly to historical factors. However, it is conceded on all hands that dichotomy has many socio-political ramifications. Hence, uniform growth of all the regions is our

cherished goal. And the present Government is making an earnest endeavour to achieve this end. The entire annual development programmes of Baluchistan and NWFP are being financed by the Federal Government. Besides, tax holiday has been provided to industrial investment in less developed areas. A string of other concessions and incentives has also been extended to step up the pace of progress in these regions. Despite their rich natural endowment, the provinces of Baluchistan and NWFP have lagged far behind in the race for development due mainly to the dearth of capital and managerial expertise. It is, therefore, expected of the specialised institutions to extend liberal credit facilities to the entrepreneurs in these areas. Only recently high level talks to boost Baluchistan's economy have taken place. Top notchers of almost all financial institutions and senior officers of the Federal Ministry of Finance took part in it. They have made a deep study of the problems confronting the industrialists and business community of the province and saw as to how their difficulties could be solved or minimised. This is a good exercise which should yield palpable results in the near future. A similar study of the problems confronted by the NWFP industrialists should be carried out. This will go a long way in speeding up the pace of development in the under-developed provinces, thereby paving the way for uniform growth of all the regions.

CSO: 4220

SOUTH ASIAN GROUP ASSIGNS SOLAR ENERGY EXPLORATION TO GOVERNMENT

Lahore THE PAKISTAN TIMES in English 15 Mar 80 p 7

[Text]

BANGALORE, March 14: The inter-Governmental expert group meeting of the South Asian Co-operative Environment Programme here yesterday assigned to Pakistan the responsibility of identifying the problems of watershed management and development of solar energy for substituting the depleting oil resources.

Mr. Sunil Roy, Chairman of the expert group meeting and Mr. C. S. Riyakumaran, Regional Director of the United Nations Environment Programme, announced at a Press conference the salient features of the decisions taken by the group so far.

Pakistan, India and Iran have been jointly selected to work on the solar energy development with Iran acting as the co-ordinator, besides, Pakistan would be the "focal point" on efforts to identify and find solutions of the problems of watershed management.

The leader of the Pakistan delegation, Dr. M. M. Qureshi in his paper on solar energy in Pakistan said that harnessing

solar energy was logical for a country having one of the lowest per capita availability of fossil fuels in the world, but blessed with an abundance of sunshine throughout the year.

He informed the meeting that research, development and extension activities in solar energy were being undertaken in Pakistan by several institutions like the Pakistan Council of Scientific and Industrial Research (PCSIR), the Energy Resources Cell, the Pakistan Atomic Energy Commission and the Solar Energy Division.

Mr. Sunil Roy announced that Sri Lanka had been unanimously selected to co-ordinate the entire work of the experts group in future. The other responsibilities taken up by the member countries, included identification of problems related to preservation of wild life and creating public awareness of environmental problems through media campaigns (India), problems of mangroves, corals and sea waves (Bangladesh) and mountain eco-system (Nepal).—APP.

CSO: 4220

BRIEFS

MANGLA DAM POWER GENERATION--Mangla, March 28: The power generation capacity of the Mangla Dam will be increased from the present capacity of 600 MW to 800 MW when its extension project would be commissioned by February next year. This was stated by the Chief Engineer of the Mangla Dam Project while talking to a group of newsmen of Rawalpindi-Islamabad here today. He said that the work on the extension project was in full swing. About 70 percent of civil work and 35 percent of electrical and mechanical works had been completed. The project costing Rs 706 million including the foreign exchange component of Rs 342 million, comprised two power generators with the capacity of 100 MW each. The Chief Engineer said that the first power generator of the extension project would be put into commission by the end of this year while the second generator eight in series, would be commissioned by February next year. He said that the Dam had already recovered its whole cost through the sale of irrigation water, electricity and fisheries in a period of 10 years which was to be recovered in 25 years. With the addition of the new generation units the Mangla Dam power generation capacity would cross the total capacity of Tarbela power station which is producing 700 MW at present, he added.--PPI. [Text] [Karachi MORNING NEWS in English 29 Mar 80 p 8]

HOME REMITTANCES INCREASE--An increase of about 25 percent has been recorded in the inflow of home remittances during nine months of last year over the remittances received in the same period of 1978. Official sources said here on Saturday that overseas Pakistanis had remitted a sum of 1,042 million dollar during January to September 1979 period as against 834.15 million dollar sent by them in the same period of 1978. They said the principal sources of home remittances are Saudi Arabia, UAE, Kuwait, UK, Oman, Qatar, USA and Bahrain. During nine months of last year the largest increase of over 114 percent was recorded in home remittances from Saudi Arabia, followed by about 64 percent increase from U.K. and over 20 percent increase from Kuwait.--PPI [Karachi MORNING NEWS in English 31 Mar 80 p 4]

UAE ASSISTANCE--Hamdan Ibn Muhammad al-Nuyayyan, UAE deputy prime minister, has given an amount of 2 million rupees to Pakistan for the development and welfare of the country's backward areas. A check for this amount was presented on his behalf to President Gen Mohammad Ziaul Haw in Rawalpindi on 26 March by the UAE deputy prime minister's personal representative. [BK271405 Karachi Domestic Service in English 1005 GMT 26 Mar 80 BK]

STEEL GALVANIZING PLANT PLANNED WITH AUSTRALIAN COMPANIES

Manila PHILIPPINES DAILY EXPRESS in English 4 Mar 80 p 14

[Text]

A FILIPINO group and two Australian companies have tied up their resources to put up a \$25-million modern steel sheet galvanizing color coating and roll forming plant in Cabuyao, Laguna.

The project will be undertaken under the Philippine Steel Coating Corp. (Philsteel), a firm jointly owned by the Uy family and Australia's John Lysaght of Australia Ltd (JLA) and Australian Mining and Smelting Ltd. (AM&S)

JLA is a subsidiary of Broken Hill Proprietary Ltd. while AM&S is owned by Conzinc Riotinto of Australia. The Uy family is engaged in the local galvanizing, steel fabrication, textile and plastics industries.

Abeto A. Uy, company president,

said that his family controls 60 percent of the Philsteel equity (\$7.5 million). The 40 percent balance is equally shared by the two Australian companies.

The bulk of the project's financial requirements, Uy said, will be met by financing and the balance by equity contribution of company investors.

Private Investment Co. for Asia (PICA) and Philippine Investments System Organization (PISO) were the institutions that packaged the financing of the Philsteel project, Uy said.

...

PHILSTEEL, he added, is slated to break ground on March 6 at the proposed plant site with Central Bank Gov. Gregorio Licaros

and Australian Ambassador Richard Woolcott as principal officiating guests.

It will initially start with its roll forming phase of operations middle of this year. Its complete commercial operation is set for next year.

The plant, which Uy conceived two years ago, will use a complete galvanizing line designed and developed by JLA engineers. This line is being fabricated for Philsteel by Blum Welded Products of Sydney.

In addition to this, JLA will also provide to Philsteel the latest technology and innovations in steel sheet production, including finishing techniques and marketing expertise.

AM&S, considered the world's biggest zinc producer, will provide the zinc requirements of Philsteel.

ESD: 4270

WORLD BANK APPROVES \$12-M LOAN FOR AGGIE PROJECT

Manila: PHILIPPINES DAILY EXPRESS in English 4 Mar 80 p 3

[Text]

THE WORLD BANK has approved a \$12-million loan to the Philippines to finance an agricultural multi-cropping project in Iloilo.

Governor Conrado Norada said the agreement was signed in Washington Feb. 15. Assistant Agriculture Secretary Miguel Zosa signed the contract in behalf of the Philippine government.

Norada was with the Philippine team which negotiated the loan in Washington. Other members of the group were Guillermo Soliven of the Central Bank and deputy administrator Zenaida Santos of the Ministry of Budget.

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NORADA said the multi-cropping project dubbed "kabusagan sa kaum-ahan" or KABSAKA (sufficiency in agricultural production) is a five-year

program designed to increase Iloilo's production in rice, feedgrains and vegetables.

The study showed that production in non-irrigated areas can be increased by synchronizing planting schedules for palay and utilizing the land off-seasons for feedgrains and vegetables production.

Farmers who took part in the experiment were able to increase their yield from one to 3 tons and their annual income from 500 to 7,000 pesos.

The loan will be utilized to finance a Masagana 99 type of loan package to farmers participating in the KABSAKA program. However, unlike the Masagana 99 financing, the KABSAKA program will include livestock and fishery development as well.

CSO: 6220

\$123-M LOAN READY FOR METRO SEWERAGE

Manila PHILIPPINES DAILY EXPRESS in English 5 Mar 80 pp 1, 6

[Text]

THE INTERNATIONAL Bank for Reconstruction and Development and the Asian Development Bank have approved in principle a \$123-million loan for the improvement of the sewerage and sanitation system in Metro Manila.

Public Works Minister Alfredo L. Juinio has just returned from Washington, D.C., where he negotiated the loan. He said the loan program will be submitted to the IBRD and the ADB boards for approval.

Juinio was with Ambassador Eduardo Z. Romualdez, Antonio Locsin of the National Economic and Development Authority, Oscar Ilustre of the Metropolitan Waterworks and Sewerage System, and Zenaida Santos of the budget ministry.

THE IBRD, also known as World

Bank, will grant the Philippine government \$63 million, while the ADB will also give a \$60-million loan for the same project, Juinio said.

He pointed out that the present sewerage system in Manila was built to serve only a small portion of the city during the American occupation early in this century.

The system has become inadequate because of population growth.

He said that existing sewerage systems have separate treatments and are not integrated. Most households use septic tanks for the disposal of liquid wastes.

JUINIO SAID that a report submitted by Public Works Deputy Minister Aber P. Canlas, concurrently head of the action center for infrastructure development of Metro Manila Commission, showed that the Manila

sewerage system was built in 1909 and was designed to serve about 350,000 people only.

Extensions have been made on several occasions but major expansion programs to improve the discharging capacity of the sewerage system have not been initiated to meet the demand of the area satisfactorily, he said.

He pointed out that the \$123-million loan is only the first phase of a multi-phase program. The initial phase will cost about P2 billion, including local counterpart funds.

When approved, the first project will be the 90-inch interceptor from the Tondo pumping station to the Isla Puting Bato pumping station also in Tondo, which will later be built primarily to suck liquid waste coming from sewerage system.

CSO: 4220

ELEVEN PROJECTS TOTALING 16.5 MILLION PESOS APPROVED

Manila PHILIPPINES DAILY EXPRESS in English 5 Mar 80 p 10

[Text]

PISO LEASING, a joint venture of international and domestic investors, has approved long-term lease packages for 11 projects engaged in diverse activities, according to Victor S. Barrios and Roland U. Young, chairman-president and executive director, respectively.

The aggregate leases approved amount to P16.5 million consisting of P8.3 million in local currency leases and \$1.1 million in foreign currency leases.

The maximum maturity for the leases so far approved is five years.

Other leases approved involve medium-term maturities, the specific duration depending on the nature and configuration of the business equipment or machinery leased.

The 11 projects approved are engaged in the following economic activities: domestic and international telecommunication services; telephone services; labor-intensive cleaning and maintenance services; computers; business machines and related activities; manufacture of master color batch pellets used in the manufacture of plastic products; chartered air services for the

petroleum industry; consultancy services in geotechnical, engineering and mining evaluations; manufacture of tin cans; lightering; and ocean towage operations.

THE AVERAGE size of the leases is P1.5 million, indicating PISO LEASING's preference for smaller ticket items and corporate orientation placing emphasis on small and medium-scale enterprises, the duo said.

Both added, the firm, however, is also working on larger ticket items intended for syndicated participations by institutional investors.

They said that the attractive terms of the leases have induced the 11 projects to sign up with PISO LEASING.

It is estimated that the net effective cost of the lease packages the firm has approved so far is lower than the equivalent effective cost of conventional loans that these same projects would otherwise receive from the financial markets.

The lower effective cost of leasing vis-a-vis conventional debt has been made possible by the unique and imaginative lease packages structured for the different projects.

FOR GENERATING PROJECTS PUSHED TO MINIMIZE INFLATION

Manila PHILIPPINES DAILY EXPRESS in English 10 Mar 80 p 1

[Text]

PRESIDENT MARCOS said yesterday that the people need not worry about inflation because the government is pushing through four labor-intensive industrial projects.

These industries — alcohol, aluminum, copper and ship repair — will be the government's answer to inflation, the President said.

At the same time, the President debunked foreign reports that the World Bank has requested for the deferment of the industrial projects.

He said that, on the contrary, the World Bank has endorsed the implementation of the projects.

The financing of these projects will not go beyond the 20-percent statutory limitations of the foreign loans obtainable abroad, he added.

WITH THE implementation of these projects, thousands of new jobs will be created, he said.

In the manufacture of alcohol, a substitute source of energy, the labor requirements start from the planting to the milling of sugar cane or cassava.

The President said that almost 350,000 hectares of land will be planted to these crops.

Alcohol mixed with a certain percentage of gasoline will produce *alcogas*, a cheaper motor fuel.

In the case of aluminum, the President said that the idea is not only to produce ingots but also aluminum products like containers, ~~automobiles, spare parts~~ or components of machineries.

The President said that this would require extensive labor training and employment of thousands of skilled workers.

Unlike in the past, the copper industry will not be limited to mining but will include the making of copper products.

The government has lined up 11 industrial projects which require about \$6 billion to put up.

These projects include a petrochemical plant, a copper smelter, a phosphatic fertilizer plant, aluminum and ~~alumina~~ smelter, diesel engine factory, an integrated steel mill and alcohol distilleries.

Government planners have pointed out that these projects were sized large so their capabilities can meet foreign demand and produce raw materials for manufacturing export products.

DUTIES ON 13 IMPORTS CUT

Manila PHILIPPINES DAILY EXPRESS in English 5 Mar 80 p 9

[Text]

THE Philippines has reduced the import duties of 13 commodities as a concession to the Tokyo round of the multilateral trade negotiations, the tariff commission said yesterday.

The tariff reduction ranges from 10 to 50 percent ad valorem

According to the commission, the reduced import duties on the 13 items will be effected in four equal stages annually, up to 1983.

Tariff Commission Chairman Razon T. Haresco said the Philippines also fixed the rates on 62 tariff lines as part of its concessions

to the Tokyo trade negotiations.

THE HIGHEST reduction of 50 percent was applied to imports of dried grapes, fresh apples, vegetable concentrates in bulk containers and kraft paper (other than those wholly of sulphate).

Products whose import duties were reduced by 20 percent include dressed or frozen turkey, dried green peas in bulk containers, rapeseed, cottonseed oil, synthetic flavor, materials and others for drug, food, drink and related use.

CSO: 4220

NEW OIL FLOW REPORTED IN MATINLOC

Manila PHILIPPINES DAILY EXPRESS in English 10 Mar 80 pp 1, 16

[Text]

THE MATINLOC oil field will be put into production sometime this year following successful drill stem test operations at Matinloc 2.

In a report to Energy Minister Geronimo Z. Velasco, Guy Bartholomew, president of Philippine Cities Service (PCS), confirmed that oil flowed three times during the third drill stem test at Matinloc 2 last Saturday.

Matinloc 2 is a confirmatory well on the same reefal structure upon which Matinloc 1 was drilled in January last year. The step-out well is about 800 meters north of Matinloc 1 discovery well.

Matinloc 1 flowed up to 9,000 barrels of oil per day last year.

DEVELOPMENT of the Matinloc area is expected to be ahead of the Cadlao area whose production timetable has been moved back to the first quarter of 1981.

Cadlao was earlier programmed for production during the last quarter of this year but its operator, Amoco, was reportedly waiting for a clear ruling from the US Internal Revenue Service on income tax payments due from its share in oil production.

In a press statement, PCS said that the first flow from Matinloc 2 was observed last Saturday from 2:29 p.m. to 3:14 p.m. Following normal procedures, the test tool was shut-in and opened again at 7:01 p.m. to flow for a period of four hours and 14 minutes.

Immediately thereafter, Cities Service performed multi-rate tests using different choke sizes, starting about midnight up to 3:00 a.m. yesterday

PRELIMINARY findings on the Matinloc oil showed that it is similar

to oil in the Cadlao area with an API gravity of 43 degrees. It is even better than the Nido oil which has an API gravity of 27 degrees.

When Matinloc is put into production, there will be three oil fields that will be onstream in the Philippines. The two others are the Nido and Cadlao oil fields.

Matinloc also confirms an oil province off Northwest Palawan that is estimated to be about 50 kilometers long. Matinloc is 50 kms. from Nido and about 20 kms. from Cadlao.

Matinloc production is expected to cover up for a shortfall in the production of Nido caused by the shutdown of one well.

At present, the Nido oil complex is producing less than 20,000 barrels of oil per day, down from its earlier rated output of 40,000 barrels per day.

BIR RECOMMENDS BIGGER TAX EXEMPTION

Manila PHILIPPINES SUNDAY EXPRESS in English 9 Mar 80 p 1

[Text]

REVENUE COMMISSIONER Efren Plana said yesterday he has recommended that President Marcos issue a decree increasing personal tax exemptions and limiting allowable deductions.

Plana said that he has asked that the personal tax exemptions be raised from P3,000 to P5,000 for head of family, from P1,000 to P4,000 for the first child, to P1,600 for the second, and P1,200 for the third. The fourth child and all children thereafter are to be allowed only P1,000 exemption.

Plana also has recommended that allowable deductions of corporations and individuals be limited. Some of these deductions involve advertising, packaging, and entertainment and traveling expenses.

PLANA SAID that graduated

exemptions for dependent children (those below 21 and who are single) are in line with the population control program.

Plana said the increases in personal exemptions would involve P156 million. But this, he said, can easily be offset by increasing taxes on non-essential consumption, like tobacco and alcohol products.

These increases will be on products that cannot be easily smuggled.

Plana said that he has recommended increasing the tax on beer and other fermented liquor by five centavos per bottle.

He said that should the increase in personal exemptions take effect this filing season, early tax filers will get refunds.

CSO: 4230

PHILIPPINES

BRIEFS

SOLAR PROJECT APPROVED--Philgerma Technical Equipment Ltd. of Germany is going to manufacture in the country solar collectors and windmills, two energy-saving devices being encouraged by the government. The firm has obtained authority from the Board of Investments (BOI) to establish a branch here to manufacture the said products. Philgerma will initially market its products locally, but it has provisions for the manufacture of devices solely intended for West Germany. The manufacture of windmills, water heaters and other solar devices are included in the first energy priorities plan as pioneer areas of activities. As such, the projects can be wholly-owned by foreigners. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 4 Mar 80 p 14]

GERMAN AID--The West German government has granted P 197 million in aid to the Philippines this year. The sources said the grant would include aids for technical assistance in energy, plant protection, fisheries, coal exploration, cotton promotion and a settlement project in Tondo. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 10 Mar 80 p 6]

LOAN FOR MERALCO--The Manila Electric Co has been granted a \$47 million loan by a syndicate of foreign banks, to enable the company to expand its facilities. The loan, arranged by the First Philippine Capital Corp, will be used by the Meralco to expand and maintain its electricity transmission and distribution network which serves Metro Manila as well as a substantial portion of Southern Luzon. Managers of the loan are Citicorp, International Group, Dresdner (South East Asia) Limited, Bank of Montreal Asia Limited, The Bank of Nova Scotia Group, and National Bank of Canada. Asia Pacific Capital Corp, a member of the Citicorp International Group, will act as agent for the banks during the life of the facility which is expected to have a duration of ten years. In addition to the co-managers, funds were provided by the Indian Overseas Bank, Shaumut Bank of Boston and United Chase Merchant Bank. [Text] [Manila PHILIPPINES SUNDAY EXPRESS in English 9 Mar 80 p 16]

CSO: 4220

POLICE CHIEF TO HELP TIGHTEN MALDIVE SECURITY

BK311225 Colombo COLOMBO SUN in English 20 Mar 80 pp 1, 2 BK

[Article by Arjuna Ranawana]

[Text] Police Chief Ana Senaviratne flew to Male yesterday as the heightening military tension in the Indian Ocean spurred the Maldivian Government to request Sri Lankan assistance in tightening its security arrangements.

Defence Ministry sources told SUN yesterday that the inspector-general of police [IGP] had been invited by the Maldivian Government on a mission to advise the police there. The director-general of intelligence of the Sri Lanka police, S. Vamadevan, is accompanying the police chief on this mission.

The Maldivian Government is anxious to tighten its security arrangements particularly against the threat of foreign interference, the Defence Ministry sources said.

They explained that the government in Male was particularly worried of possible infiltration by foreign elements of the fishing communities throughout the numerous small islands in the sprawling Indian Ocean archipelago.

The intelligence division of the Maldivian police will be advised on improving its operations by the Sri Lankan police intelligence chief, Mr. Vamadevan.

The IGP who will remain in Male until Sunday, will also examine the feasibility of training Maldivian security personnel in Sri Lanka, the sources disclosed.

The concern of the Maldivian Government over its national security is learnt to have been aroused by the increasing military presence of the superpowers in the Indian Ocean amidst the heightening of US-Soviet tension and the Maldivian archipelago's own strategic position in this context.

Of particular interest to the superpowers is the Gan Island air base, vacant since the British forces withdraw, diplomatic sources said.

In the aftermath of the US-Iran hostage crisis and the Soviet military involvement in Afghanistan the United States naval presence in the Indian Ocean has been built up to 31 vessels including a 1,600-man Marine brigade, while the Soviet naval strength is now 29 ships, diplomatic sources point out.

In February last year, the Maldivian Government had its attention drawn to the archipelago's fragile security with the discovery of the infiltration into its territorial waters by an American oceanographic research vessel without prior permission.

The oceanographic vessel, the "Alyssa Maru," was alleged to have interfered in the affairs of one of the Maldives Islands' many atolls and the crisis reportedly escalated with the taking of hostage of three American crewmen by the Maldivian Government. The U.S. Embassy in Colombo was involved in the frantic diplomatic moves to settle the crisis.

CSO: 4220

CPT CONDEMNS KHMER ROUGE POLICIES

Paris LE MONDE in French 23 Feb 80 p 5

[Article by R.-P. Paringaux: 'Thai Communist Party Leaders Condemn the Policy Followed by the Khmer Rouge']

[Text] The Communist Party of Thailand (CPT), which is close to the Chinese, is circulating to its leaders an analysis of the weaknesses and political mistakes of Mr Pol Pot's Cambodian Communist Party (KCP). Its contents seem to reveal the Thai Communist leaders' desire to disassociate themselves from something they had hitherto supported; and they wish to communicate this to both their party members and public opinion. Some CPT members and sympathizers yet remain very much attached to the "Pol Pot line" and will not have it disparaged. The CPT corrected its aim after official Chinese organs criticized the excesses of their Khmer Rouge allies. The CPT's change should also be seen in the context of the conflicts between Asian Communist parties. These conflicts have shaken the solidarity advantageous to the CPT, sown confusion among its leaders, and caused a series of defections last summer (LE MONDE 28 July 1979).

The criticism of the KCP is a severe criticism of the "Pol Pot line" and, at the same time, the "ultra-leftist line of Lin Piao and the gang of four" Chinese leaders with whom the "inept" Khmer Rouge leaders have sided. The CPT considers that the de facto internment of Prince Sihanouk and the non-representation in the National Assembly of the partisans of Democratic Cambodia and the intellectuals who supported the revolution have transformed these social categories into "counterrevolutionaries." The CPT condemns in practice if not in theory the immediate and forced evacuation of the cities, the obsessive reclusiveness of the regime, and its refusal of "aid from friendly countries: China, North Korea, Yugoslavia, Rumania, and Sweden," or even from international humanitarian organizations to meet the needs of an exhausted population and a country ravaged by American air strikes. Such measures and the bloody purges of the army and the Lon Nol administration would not have been necessary in that form "if the Cambodian Communist Party had taken care of the people, for the people would have become the eyes and ears of the revolution" and would have helped flush out its enemies.

The abolition of money is considered a "step backwards," and its shabby, isolationist propaganda "have allowed the Vietnamese and the West to spread negative news about the regime . . . and the regime has seemed uninterested in improving its image." As for the conflict with Hanoi, the CPT considers the Khmer Rouge crazy for having "insisted on solving the problem by war," when Cambodia was "weaker militarily, economically, and politically."

THAILAND

UDORN THANI AGRICULTURAL PROBLEMS SAID TO TYPIFY THOSE OF NORTHEAST

Bangkok BAN MUANG in Thai 23, 24, 25 Jan 80

[Article: "The Problem of Poverty in the Rural Areas: The Case of Udorn Thani Province"]

[23 Jan 80, p 6]

[Text] Udorn Thani Province is faced with the problem of poverty, as can be seen below. We feel that it is important that everyone be aware of and acknowledge this problem since the people of Udorn Thani are Thais. We are, therefore, reprinting the full text of an article from the JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS of the Office of the National Economic and Social Development Board in order to arouse people and warn them that poverty in our country is not something to joke about.

1. Field surveys in the upper northeast have, for the following reasons, helped the editors of the JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS select Udorn Thani Province as a representative of the provinces in the upper northeast in order to make a detailed study:

First, the people in Udorn Thani are for the most part farmers and rain-based farming is the mainstay of more than 50 percent of the 1.3 million people in Udorn Thani Province. These people live in rain-farming areas and this, we believe, is greatly related to the problem of poverty. In the rural areas of the northeast, although the average income of the people in Udorn Thani Province in 1978 was approximately 4,745 baht, which is the third highest in the upper northeast after Khon Kaen and Sakon Nakhon provinces, when we look at the

people's average income from farming only, this falls to only about 2,566 baht, which is only slightly above the 1978 poverty level of 2,200 baht per year (2,000 baht per year in 1977). Therefore, since in some parts of Udorn Thani Province the people are living above the poverty level, the conclusion to be drawn from the field survey seems to be that there are still many people who are living below the stipulated poverty level of 2,200 baht per year. Thus, in Udorn Thani, the economic situation is better than that in Si Sa Ket Province in the lower northeast, where we have previously done studies. The studies done in Udorn Thani Province are, thus, another step in the attempt to further our understanding about the northeast in connection with the studies already carried out by the JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS.

Second, the population growth rate in Udorn Thani Province has stayed at a high level for the past 10 years (1969-1978), the average rate being 4.3 percent per year as compared with the 3.4 percent average population growth rate of the upper northeast for the same period. And when this period is further broken down, looking at the period of the Third Development Plan in particular, the 1972-1976 period, the population growth rate in Udorn Thani Province reached the very high rate of 5.5 percent, which was higher than the average rate for the country during that period, the average rate for the country being approximately 2.6 percent. The important thing about this increase in the population is that it would be very interesting to study and analyze things in order to find an answer to the question of why the population has increased at a high rate even though the general economic situation in this province is much worse than that in other areas.

Geographical Conditions

2. Udorn Thani Province is located approximately 560 kilometers to the northeast of Bangkok, as measured by the Friendship Highway. It is located at 17 degrees latitude north and 102 degrees longitude east. The area is mainly a plateau but in some parts the land is low or hilly. Almost all of the province is more than 187 meters above sea level. There are open forests and mixed timber forests. The entire area of Udorn Thani Province is approximately 16,697.3 square kilometers or about 10.4 million rai. Of this, 4.3 million rai is forest, 2.9 million rai is rice fields, 0.7 million rai is land for growing various farm crops and 2.6 million rai is land of various types. There are few waterways in

Udon Thani, and there are no important rivers. Important natural waterways include various creeks such as the Luang creek. Besides this, there is the Mak Khaeng creek that passes through Udon Thani district, but, in the dry season, it dries up and it is not possible to store water. The rainfall in Udon Thani Province averages 1,656 millimeters per year. This seems like a lot when compared with that of other provinces in the northeast. However, because the southern part of the province has been almost completely deforested, the heavy rains cause floods and erosion almost every year. As for the beginning of the planting season, there is drought and a general lack of water for planting.

Rain Fields: Poverty in Udon Thani

3. The JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS has continually pointed out that the dependence on rain fields is greatly related to poverty, as shown in the results of the studies done in Si Sa Ket Province (JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS, V 15, No 4, July-August 1978) and in Pha Yao Province (JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS, V 16, No 1, January-February 1979). Based on an analysis of Udon Thani Province's rate of dependence on rain fields, it can be seen that 9 of the 20 districts and subdistricts in Udon Thani Province have a rate of dependence on rain fields in excess of 70 percent. The number of people living in these districts is 560,837 or approximately 40.9 percent of the total population [in the province]. Another five districts have been placed in the category of having moderate dependence on rain fields, between 50 and 70 percent. The number of people living in these districts is 573,693 or approximately 41.9 percent of the total population. The other 6 districts have only a slight dependence on rain fields, that is, less than 50 percent. There are 236,068 people living in these districts, or approximately 17.2 percent of the total population in the province. From the data given above, it can be estimated that at least 50 percent of the people in the province are living in poverty because of being dependent on rain fields; this is similar to many other places in the northeast (for a complete list of the districts please see the supplementary table at the end).

Farm Income: A Clear Indicator

4. A study of two villages in Udon Thani Province that are dependent on rain fields clearly shows that the people living in the rain field areas are living at or below the stipulated poverty level. The average family income in Sam Phrao village,

Sam Phrao commune, Udorn Thani district, a village with an 80 percent rate of dependence on rain fields, is approximately 7,000 baht per year. The average number of people per family

[24 Jan 80, pp 6, 7]

[Text] in the village is five people, and, therefore, the average annual per capita income in Sam Phrao village is approximately 1,400 baht, which is well below the poverty level of 2,200 baht.* At the same time, a survey made in Nong Bua Noi village in Nong Han district, which has the same 80 percent rate of dependence on rain fields, found that the average annual per family income in this village was 6,140 baht or approximately 877 baht per person.** While this survey was made at the end of 1977, a period of drought that caused estimates of income to be below actual levels, nevertheless, if incomes in Nong Bua Noi village normally double during the rainy season, the average per capita income in this village is only about 1,754 baht, which is still below the poverty level. These two examples of villages that depend on rain fields show that poverty is still widespread in the rain-field areas of Udorn Thani Province. The situation is better in the areas where farm crops are grown and in the rice-field areas where catch crops are grown. Based on rough estimates by the headman of Dong Yen Phattana village, Ban Phu district, the annual per family income is at least 10,000 to 12,000 baht or about 2,000 baht per person with an average of six people per family. This is near the stipulated poverty level and is higher than the incomes in the rain-field villages discussed above.# This supports the analysis that the JOURNAL OF ECONOMICS AND SOCIAL AFFAIRS has continually maintained as a principle: areas that are dependent on rain fields are the poorest areas; areas where farm crops are planted are better off; and things are best in areas where two rice crops can be grown or where a rice crop followed by a catch crop or two crops of farms crops can be grown. It can be said that the latter is done very rarely in Udorn Thani Province, which does not have an irrigation system. What Udorn Thani does have is a single-season farm crop area that depends on the rains. While

*National Accounting Office

**Estimated

[No footnote given]

the income in this area is greater than in the rice growing areas, this area cannot be classified as a progressive agricultural area.

Table 1

Rain-field rice and farm crop growing villages in Udorn Thani

	Nong Bua Noi village, Phon Ngam commune, Nong Han district* (1977) (rice)	Sam Phrao village, Sam Phrao commune, Udorn Thani district** (1978) (rice)	Dong Yen Phatthaan village, Ban Phu district** (1978) (farm crops- rice)
Rate of dependence on rain	more than 80%	more than 80%	more than 80%
Average number of people per family	7	5	6
Size of settled area per family (rai)	25	27	-
Average yield of the annual wet rice crop (thang per rai)	29	20	25
Per family income from farming (baht)	6,140	7,000	12,000
Per capita income from farming (baht)	877	1,400	2,000

Salty Soil: A Recurring Disease

5. As for the poverty of a portion of the people in Udorn Thani Province, besides the dependence on rain fields as mentioned above, a crucial factor that will probably become another major problem in the future is the problem of salty soil. Based on estimates of the Department of Land Development, with the aid of land survey maps, it has been learned

*National Accounting Office

**Estimated

that, in Udorn Thani Province, 109,554 rai of fields have salty soil.* This is 4 percent of the province's 2.9 million rai of fields. Looked at from the viewpoint of the total picture, this does not seem like a serious problem, but, in fact, the salty-soil areas are located in various locations and points and in some areas they may connect with each other to form large [salty] areas. In some areas, only 1 in 20 inhabited rai of land may be affected. The degree of saltiness may range from very salty, in which nothing can be grown, to naturally salty, in which rice can be grown, although yields will be low. The thing that is worrisome is that the amount of salty soil in the future will increase continually. This stems from [water] evaporation that leaves salt in the soil when there are repeated droughts. The areas with very salty soil include parts of Udorn Thani district and parts of Ban Dung district. The average rice yield in the salty fields is only about 10-15 thang [1 thang equals 20 liters] per rai.

Udorn Thani and Si Sa Ket: A Comparison

6. Even though Udorn Thani Province has a problem with poverty as mentioned above, when things are compared with Si Sa Ket Province, the poorest province in the northeast, it can be seen that Udorn Thani Province is much better off than Si Sa Ket Province. From the standpoint of provincial products at 1978 prices, the value of the products in Udorn Thani reached 6,693.4 million baht while in Si Sa Ket the value reached only 2,566.2 million baht. The average per capita income in Udorn Thani Province was 4,645 baht as compared with 2,381 baht in Si Sa Ket Province. The average per capita income in Udorn Thani Province is, therefore, almost double that in Si Sa Ket Province. From the standpoint of the rate of dependence on rain fields, the average rate of dependence in Udorn Thani is approximately 70 percent as compared with the 84 percent rate of dependence in Si Sa Ket Province. When things are analyzed and compared at the village level, using villages that have an average standard of living for the two provinces, it can be seen that Sam Phrao village in Udorn Thani has a slightly higher standard of living than Khai village in Uthum Phornphisai district [in Si Sa Ket Province]. For example, the percentage of families in Sam Phrao village that have incomes exceeding 10,000 baht per year is greater than that in Khae village in Si Sa Ket. The thing that can be seen clearly is that

*National Accounting Office

55 percent of the families in Sam Phrao village produce more than 4,000 liters of rice [per year] as compared with only 7 percent in Khai village. However, even though Sam Phrao village in Udon Thani village is better off than Khae village in Si Sa Ket, neither of these two villages compares at all well with villages in the central region, such as villages in Hua Kai commune, Ang Thong district, Ang Thong Province, which are only average villages in the central region (please see Table 3). Concerning important figures that show that the level of poverty in Udon Thani Province is less than that in Si Sa Ket Province, another factor is the average rice yield per rai. This is much greater in Udon Thani than in Si Sa Ket. For example, in 1977/78, the average rice yield in Udon Thani Province was 175 kilograms per rai as compared with an average rice yield of 42 kilograms per rai in Si Sa Ket. The reason for this is that, in general, the soil in Udon Thani is slightly better than the soil in Si Sa Ket. A report of the Department of Land Development states that the land in Si Sa Ket Province where rice is grown is not suited to growing rice because the quality of the soil is very poor.

Table 2

A comparison of Udon Thani and Si Sa Ket

	Udon Thani (1978)	Si Sa Ket (1978)
Provincial products* (millions of baht)	6,693.4	2,566.2
Per capita income* (baht)	4,645.0	2,381.0
Rate of dependence on rain fields** (%)	70	84

*National Accounting Office

**Estimated

Table 3

A comparison of villages in Udorn Thani with villages in the central region

	Khai village, Utum Phraphisai districe, Si Sa Ket Province*	Sam Phrao village, Udorn Thani district, Udorn Thani Province**	Village 4, Hua Kai commune, Ang Thong district, Ang Thong Province#
1. Percentage of families with incomes exceeding 10,000 baht per year	1.75	4	84.85
2. Percentage of families not engaged in rice farming	1.75	20	31.82
3. Percentage of families that produce more than 4,000 liters of rice [per year]	7.01	55	71.10
4. Percentage of the population, age 15-44, that has switched to other work	41.70	Less than 5%	---

The Population of Udorn: Why Is It So High

7. The population growth rate in Udorn Thani Province is rather high. This is another factor that should be closely followed and analyzed in order to discover whether or not there is a connection between this rather high rate of growth and the problem of poverty. However, in the detailed studies that have been made, no clear factors have been found but enough has been learned so that it can be said that the high growth rate in Udorn Thani stems in part from the great number of people who have migrated to the province. Figures

*National Accounting Office

**Estimated

[Footnote not given]

for the period 1965 to 1970 show that 32,713 people migrated to Udon Thani Province; 20,095 from Khon Kaen Province, 7,373 from Maha Sarakham Province and 5,245 from Roi Et Province. This caused the growth rate during that period to reach 8.7 percent. The rate of migration to the province began to decline somewhat during the 5-year period. After that, during the 1971-1975 period, the average rate of growth was approximately 3.8 percent per year. This stemmed from the fact that the average growth was 41,752 per year from net births and deaths and 12,705 per year from net migration. This caused the total population to increase from 1.09 million in 1970 to 1.30 million in 1975. The interesting thing is that large numbers of people migrated to Udon Thani Province and that most of these people migrated from other places in the northeast.

The Causes of Migration to the Province

8. As mentioned above, although Udon Thani Province is a poor province as compared with [provinces in] other regions, it is better off than other provinces in the northeast, especially when compared to certain areas of Khon Kaen or Maha Sarakham, which are the provinces with the lowest average incomes in the upper northeast, or to Roi Et, which is the province with the lowest average income in the lower northeast. In addition to this, Udon Thani Province will still have large forests left for a certain period and this will cause people fleeing poverty in other provinces to migrate to Udon Thani since there are places they can make a living by invading and claiming forest land as a place to earn a living. This point is very close to the truth. An analysis of the figures on the forests in Udon Thani Province has shown that the forest area has declined alarmingly. The forest area has declined from 7.5 million rai, or 71.9 percent of the total area of the province, in 1970 to only 4.3 million rai, or approximately 41.2 percent, in 1976. These figures are government figures and they may, in fact, be even lower. While the forest area has been decreasing in size, the area settled in order to carry on farming has increased. For example, the area cleared for farming increased from 2.35 million rai in 1970 to 4.46 million rai in 1978. Based on these two sets of data, it may be said that these 3.2 million rai of lost forest land have been transformed into 2.01 million rai for settled farming. As for the remaining area, it is thought that this area too is used for farming although the figures have not yet been

officially accepted. It may be said that one reason why the population growth rate in Udorn Thani Province is rather high is that people have migrated to the province for the reasons mentioned, but this does not mean that the people migrating here have all invaded and claimed land for farming

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[Text] in the forest area. Based on the field surveys that have been made, it has been learned that the people in Udorn Thani have themselves been involved in migrating to and claiming land for farming deep in the forests in order to help solve the economic problems. Another factor that was a cause of migration was the construction of American military bases in Udorn Thani Province during this period. Although there are no clear data to support this, it is believed that a rather high percentage of those who migrated here during the period of construction of the American military bases were skilled and unskilled laborers and people engaged in various service occupations.

Udorn: What Is the Solution?

Stated briefly, viewed as a whole, Udorn Thani Province is much better off than various other provinces in the northeast, both in the upper and lower northeast, especially when compared to Si Sa Ket Province, which is the poorest province in the northeast. However, in 1978, Udorn Thani still had many people living near or below the poverty level of 2,200 baht per year. In the analysis of the problem of the population growth rate it was learned that the people in Udorn Thani Province and in neighboring areas have struggled to solve the problem of poverty by migrating to and claiming land in the forest areas. We may summarize by saying that these forest resources that have been destroyed have acted as "buffers" that have helped to reduce the poverty in Udorn Thani and in neighboring areas somewhat. However, the present situation in Udorn Thani Province shows that this method can no longer be used. To eliminate poverty in Udorn Thani, other ways must be looked for that can be used to solve the problem of poverty in a more general way. Reducing the rate of "dependence on rain-field rice" is one thing that must be done quickly in coordination with doing research in order to increase crop yields in the rain-farming areas that grow both rice and other crops. Solving the immediate problems by developing small-scale water sources such as wells and ponds in order to make it possible to store water for small-scale farming during the dry season is something that should be promoted. These solutions include ways to solve the problem

of salty soil, which is another problem in Udon Thani that is discussed in detail in an article entitled "The Solutions of the Upper Northeast" that appears in the same issue of this journal.

Supplementary Table

Rate of Dependence on Rain Fields and District Populations in Udon Thani

Dependence on rain fields	District	Percentage*	Population#
Group with rate of dependence exceeding 70%	Sang Khom subdistrict	**	19,344
	Non Sang district	89.2	58,925
	Nong Han district	84.2	115,015
	Siribun Ruang district	82.5	85,312
	Thung Fon subdistrict	80.1	17,966
	Phen district	75.2	68,172
	Nong Bua Lamphu district	74.8	99,658
	Ban Phu district	74.7	72,001
	Chai Wan subdistrict	72.0	<u>24,444</u>
			560,837
Group with rate of dependence between 50% and 70%	Kum Phawa Pi district	66.1	129,546
	Suwanna Khuha district	61.6	32,665
	Udon Thani district	59.9	297,628
	Ban Dung district	59.8	67,487
	Nong Wuaso district	55.6	<u>46,367</u>
			573,693
Group with rate of dependence less than 50%	Non Saat district	44.6	31,413
	Nam Som district	40.1	36,680
	Sri That district	38.5	29,895
	Wang Sammo subdistrict	35.4	17,986
	Kut Chap district	22.8	44,554
	Naklang district	10.9	<u>75,540</u>
			236,068

Total for the province: 1,370,598

*Figures obtained from the Udon Thani provincial agricultural office.

**The number is not clear but it is estimated to be approximately 90 percent.

Population figures from the Population Registration Division, 1978.

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